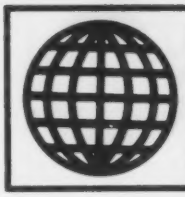

Daily Report

Latin America

FBIS-LAT-94-214
Friday
4 November 1994

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Daily Report
Latin America

FBIS-LAT-94-214 *4 November 1994*

CONTENTS

INTER-AMERICAN AFFAIRS

Martinique, Guadeloupe, French Guiana Form Association *[Bridgetown TV]* 1

CARIBBEAN

Cuba

Alarcon: Migration Problem Persists Despite U.S. Accord *[NOTIMEX]* 2
Academic Views Changes in Migration Legislation *[Havana Radio]* 2
Havana International Fair '94 'Biggest' So Far *[Havana TV]* 3
Robaina Notes Significance of Fair *[Havana Radio]* 3
Robaina Comments on Participants *[Havana Radio]* 3
Foreign Firms Express Interest in Local Offices *[PRENSA LATINA]* 3
Confirm Interest in Local Markets *[PRENSA LATINA]* 4
Radio Reports Aid Shipment Attack in Miami *[Havana Radio]* 4
Bomb Goes Off Outside Cuban Embassy in Managua *[PRENSA LATINA]* 5
Colombian Foreign Minister Arrives on Visit *[PRENSA LATINA]* 5
Meets Robaina, Comments on Miami Summit *[PRENSA LATINA]* 5
Castro Meets With DPRK Party Official *[Havana Radio]* 6
Raul Castro Bids Farewell to Russia's Kolesnikov *[Havana Radio]* 6
Brazilian Delegation Interested in Economic Ties *[PRENSA LATINA]* 6
Brazilian Electric Firms Sign Joint Protocols *[Havana Radio]* 6
To Assist With Thermonuclear Plant *[PRENSA LATINA]* 7
Commentary Cautions Against 'Exported' Dreams *[Havana Radio]* 7
'Straight Talk' on Price Rises, Decline in Quality *[Havana Radio]* 8
Authorities Inspect Bejucal Municipality Defenses *[Havana Radio]* 8

Inter-Caribbean Affairs

Officials Discuss Business in Run-Up to Miami Summit *[Bridgetown TV]* 9

Haiti

Chiefs of Sections Banished From Military Structure *[Port-au-Prince Radio]* 9
Aristide Meets Politicians on Elections *[Port-au-Prince Radio]* 9
Aristide Lays Wreaths, Meditates at Graves of Victims *[Port-au-Prince Radio]* 9
Stages Walkabout in Cite Soleil *[Port-au-Prince Radio]* 10

MEXICO

Government To Back Returning 'Illegal Immigrants' *[NOTIMEX]* 11
Opposition Parties Urge Real State Reform *[LA JORNADA 2 Nov]* 11
Authorities Investigating Causes of Demonstration *[Mexico City TV]* 12
Guanajuato Governor Denies Zapatist Militia Exists *[LA JORNADA 2 Nov]* 13
Consultant Seeks Trade Ties With Caribbean *[Bridgetown TV]* 13

CENTRAL AMERICA

El Salvador

Calderon Sol Views U.S. Immigrant Deportation *[San Salvador Radio]* 14
Santamaria: U.S. Politicizing Immigrant Issue *[LA PRENSA GRAFICA 3 Nov]* 14
President on Haiti, Coffee, PNC Deficiencies *[EL DIARIO DE HOY 3 Nov]* 15
National Police Demobilizes Last 1,500 Agents *[EL DIARIO DE HOY 2 Nov]* 15

Nicaragua

Minister on U.S. Travel Advisories, Miami Summit *[Managua TV]* 16
'De Facto' BARRICADA Director Admits Error *[BARRICADA 3 Nov]* 16
Urges Patience, Promises Progress *[BARRICADA 3 Nov]* 17
Journalists Negotiating Resignations *[BARRICADA 1 Nov]* 17
Paper's Founder on Reshuffling *[BARRICADA 1 Nov]* 18
Henry Ruiz on Conditions for FSLN Unity *[EL NUEVO DIARIO 21 Sep]* 19

Panama

Lawmaker: No Extension of Cuban Rafters' Stay *[EL SIGLO 3 Nov]* 22
Security Agencies Probed for Colombian Rebels Ties *[EL SIGLO 3 Nov]* 22
Legislator Denies Ultimatum to President *[LA PRENSA 3 Nov]* 23

SOUTH AMERICA

Argentina

Brazil's Cardoso Continues Visit, Discusses Ties 24
Meets With Di Tella, Views Economy *[NOTICIAS ARGENTINAS]* 24
Discusses Real Plan *[TELAM]* 24
Opposes Postponement of Mercosur *[TELAM]* 25
Grants News Conference *[Sao Paulo TV]* 25
Brazilian Duty-Free Sugar Imports Banned *[TELAM]* 26
Di Tella Interviewed on Laguna Arbitration Ruling *[EL MERCURIO 23 Oct]* 26
Cavallo Examines Economic Plan, Indexation *[O GLOBO 30 Oct]* 27
Cavallo Defends New Pension Bill to Congress *[BUENOS AIRES HERALD 2 Nov]* 29
Highlights of Pension Bill Noted *[BUENOS AIRES HERALD 2 Nov]* 29
Menem Views Antisubversive War, Armed Forces *[TELAM]* 30

Brazil

Article Examines Interest in Business With Cuba *[JORNAL DO BRASIL 1 Nov]* 30
Insights Into Personality of Marco Maciel Revealed *[O ESTADO DE SAO PAULO 9 Oct]* 31

Chile

Senate Opposition Bloc Protests Laguna Ruling *[Santiago TV]* 33
Satisfaction Expressed Over Mideast Peace Treaty *[EL MERCURIO 28 Oct]* 34
Air Force Commander Announces Planned Retirement *[TELAM]* 34

Ecuador

Congress President Views Constitutional Reforms *[EL COMERCIO 6 Oct]* 34
Congress Designates Supreme Court Judges *[EL COMERCIO 7 Oct]* 36

Peru

Fujimori Congratulates Military on Successes *[Lima TV]* 38
Election Board Discloses Voting Result Procedures *[Lima TV]* 39
Election Campaign, Other Developments 19-25 Oct *[DESCO Database 28 Oct]* 39

Uruguay

Lacalle Views Elections, Economic Issues *[CLARIN 31 Oct]* 44

Martinique, Guadeloupe, French Guiana Form Association

FL0311232994 Bridgetown Caribbean Broadcasting Union Television in English 1810 GMT 2 Nov 94

[Report by Marie-Claude Celeste, Radio France Overseas correspondent; from the CBUTV Caribvisin newscast]

[FBIS Transcribed Text] Representatives of the six local assemblies of Martinique, Guadeloupe, and [French] Guiane recently had what they described as a historic meeting in Cayenne, the main city in Guiane. It was the first time such a meeting took place. Up to then, contacts between the six local assemblies of the three French overseas departments at this level had been limited and casual. From now on, the heads of the six bodies will meet regularly at least twice a year. And they have even gone a step further:

[Begin Antoine Karam, regional council president from French Guiana, recording, in French with subtitles in English] The six presidents have agreed to set up a permanent conference including the heads of the general and regional councils of Martinique, Guadeloupe, and Guiane. It will be a very flexible association. [end recording]

The first president of this association will be Lucette Michaux-Chevry, the president of Guadeloupe's regional council, who is also a minister in the French Government. Martinique, Guadeloupe, and Guiane feel there's an urgent need to strengthen links among themselves if they are to play a role in the recently set up Association of Caribbean States:

[Begin Emile Capgras, regional council president from Martinique, recording, in French with subtitles in English] Regional cooperation is very important. You know, it is thanks to the French departments of America that France was allowed to join in the Association of Caribbean States as an associate member. [end recording]

The task before the planned Martinique-Guadeloupe-Guiane association is tremendous. While there is widespread consensus on a number of issues, there are also pending problems among them. Transport is one of them, not to mention politics.

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Cuba

Alarcon: Migration Problem Persists Despite U.S. Accord

PA0311194994 Mexico City NOTIMEX in Spanish 1841 GMT 3 Nov 94

[FBIS Translated Excerpt] Havana, 3 Nov (NOTIMEX)—Ricardo Alarcon, president of the National Assembly of the People's Government, today stressed that the United States has suspended the so-called Cuban Adjustment Act, but the migration problem continues despite the recent agreement signed by both governments.

According to Alarcon, "the most significant" part of the 9 September agreement between Washington and Havana was the suspension of this legislation which gave preferential treatment to Cubans who, by any available means, arrived in U.S. territory from the island.

Alarcon, who headed the negotiations with a U.S. delegation in New York, pointed out that the migration problem is rooted in the larger conflict with the United States, "which has not ended with the recent agreement."

Under the terms of the agreement, Washington pledged to issue at least 20,000 visas annually to Cubans wishing to leave the island, while Cuba agreed to prevent by any means at its disposal [as received] the departure of undocumented emigrants in flimsy boats. Washington's Interests Section (diplomatic office) in Havana informed NOTIMEX that in fulfillment of this agreement, more than 200 visas and immigration permits have already been issued, and that as of this month, 500 interviews will be granted weekly to potential immigrants.

Alarcon, president of the National Assembly, spoke at a session of the Foreign Relations and Constitutional and Legal Affairs commissions that for two days examined the migration issue and migration policies. The only information available on the sessions, which concluded Wednesday [2 November] night at the Convention Palace, was provided by the island's official media.

According to Cuban media, Alarcon described the detention of 30,000 Cuban migrants at the U.S. Guantanamo Naval Base in the eastern part of the nation as a "veritable and huge political blunder," adding that Cuba "is not to blame" and opposes this situation. [passage omitted]

Academic Views Changes in Migration Legislation

FL0311162194 Havana Radio Rebelde Network in Spanish 1255 GMT 2 Nov 94

[From the "Doing Radio" program]

[FBIS Translated Text] We have more on the hearings on migration held yesterday at the Convention Center by the Foreign Relations Commission and the Judicial and Constitutional Affairs Commission of the National Assembly of the People's Government, headed by Jorge Lezcano and Ramon de la Cruz Ochoa respectively. One of the aspects debated was Cuban migration legislation, the process of change, and the need to review this legislation without forgetting national security elements. This is what Hugo Ascuy, from the Center for the Studies of the Americas had to say:

[Begin Ascuy recording] The law tends not to deal with precise formulas or rules. In other words, in essential aspects connected to the migration process, the law in effect makes this a matter of government policy to be implemented by the body charged with its execution. The law, therefore, does not express in clear and defined rules how the migration process should be conducted. A knowledge of the migration process only takes place after the fact by studying the rules being implemented at a specific period. I wonder if at this moment when the migration process is undergoing a significant process of whereby it is becoming more flexible; when it is evident that the Cuban response to the three-and-one-half-decade conflict wit' the United States has been much more audacious, more flexible, and has reached much further than what the United States has been able to do; I wonder if in this process we can continue to maintain that characteristics of our policy.

Another characteristic of the migration legislation is considering emigration as a definite action, as an abandonment of the country given that departures are classified as definitive or temporary. This is characterized by very precise rules which are the result of the norms which from time to time are announced as the government's current migration policy. No, it is not announced. One has to figure them out by studying their implementation. Migration is truly solved casuistically. This is very interesting. This has historically been justified as a matter of national security. However, it is getting harder and harder to undertake a process with these characteristics when on the one hand we are allowing more flexible departures and on the other hundreds of thousands of foreigners are coming in. Yet, according to the legislation migration continues to be considered on a case-by-case basis. Another aspect is the number of determining factors—personal, political, labor, family, economic, professional, etc.—considered in each case.

What I want to stress is the need to review our migration legislation, the need to conduct, of course, a thorough study without leaving out the elements of national security still present in this process. We have not even remotely left behind a situation of danger, of a threat against Cuba that takes many shapes. This is precisely one of the points discussed at the session of the Foreign Relations Commission as expressed in the doctrine of democracy and human rights prevailing in Latin America and which is a permanent threat to Cuba. Therefore, we cannot dismiss this, nor can we fail to keep in mind that circumstances have changed. The policy being implemented by the Cuban Government has become very flexible and we are welcoming 700,000

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tourists this year and there is a volume of arrivals and departures which I believe can no longer be handled with the current laws on migration. [end recording]

There were many other important depositions from experts and scholars on migration from the Center for the Studies of the Americas, the Center for Asia and Oceania, deputies, and party officials from the Center for National Security Studies.

Havana International Fair '94 'Biggest' So Far

FL0311133194 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 3 Nov 94

[From the "NTV" newscast]

[FBIS Translated Excerpt] The process of opening Cuba to foreign investment will be supported by a new law currently under preparation. In this way foreign businessmen will have more clarity and security.

Havana International Fair '94, the biggest fair so far, with the participation of over 1,000 business from 46 countries, shows that there is a current consensus of trust in Cuba. Businessmen also state their support; foreigners and Cubans talk about their work and expectations. [passage omitted]

Robaina Notes Significance of Fair

FL0311131694 Havana Radio Rebelde Network in Spanish 1100 GMT 3 Nov 94

[FBIS Translated Text] The international fairs of Havana have become an important setting for trade, proving that Cuba not only needs things but also has things to offer. This was stated in Havana by Foreign Minister Roberto Robaina.

In this regard, Abraham Maciques, president of the fair's organizing committee, announced that the Havana International Fair has been admitted to the International Fairs Union, and that the third day of the fair was the busiest since the day was marked by the beginning of many negotiations or the maturing of many contacts between Cuban enterprises and diverse foreign entities.

Robaina Comments on Participants

FL0311151394 Havana Radio Rebelde Network in Spanish 1255 GMT 3 Nov 94

[Report by Jose Artiaga y Navarro; from the "Doing Radio" program]

[FBIS Translated Text] [Artiaga] As part of the 12th Havana International Fair, this afternoon the joint enterprise Euroferro S.A. will be established between Canada's Europe-Canada Company and Cuba's Concrete Beams and Elastic Connectors Enterprise. The main goal of this joint enterprise is to produce and repair spare parts for train engines and rail repairs and maintenance, In addition to selling its products domestically, this joint enterprise will export its products to Latin America.

Following the signing of this important document, Cuba will import train engine parts at low cost. As you know, our railroad system is currently experiencing dire difficulties, mainly with the engines. Most of the engines in Cuba came from socialist bloc countries.

Coinciding with my visit to the fair, I met with Foreign Minister Roberto Robaina who was also visiting the fair. He had this to say:

[Begin Robaina recording] I must stress that even after two hours it is not possible to take in something that is an expression of many years of work and involves the strong presence of businessmen who, more and more each day reject tales about Cuba, and rather rely on their own opinions, and want to discover Cuba for themselves.

Cuba, Havana, and Expocuba are becoming an important setting for commercial exchanges. Those who voted at the United Nations are not the only ones here, rather many others who did not vote at the United Nations vote here by investing in Cuba. This is a good response. [end recording]

Foreign Firms Express Interest in Local Offices

PA0311185894 Havana PRENSA LATINA in Spanish 1201 GMT 1 Nov 94

[Report by Roberto F. Campos]

[FBIS Translated Text] Havana, 1 Nov (PL)—A considerable number of foreign firms have expressed a desire to establish offices in Cuba next year and are now taking advantage of incentives to show their products to the business community here.

Such incentives are offered to businessmen attending the 12th Havana International Fair (Fihav '94) from 30 October to 6 November, at Expocuba's Outer Hall, where there are numerous business stands [previous word in English] for those firms taking steps to establish offices in the country.

This is the case for "Cuba Yes, Canada Trade" of Canada—a firm that handles industrial manufacturing, commerce, construction, tourism, equipment and machinery, and factory representation services, among other lines.

Roberto Anderson, the firm's manager, explained to PRENSA LATINA that he really wants to work with the island and has no fears because guarantees for such endeavors increase every day.

He added that he wants to have all of his documents in order by the beginning of next year and that he has already taken the necessary steps to do so.

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Also from Canada, Joshnick Inc. has the same interest. It is a company that produces equipment for the medical and pharmaceutical industries. The firm's president, Derek Vokey, has stated it is very possible that they could open an office here very soon and are very confident that they will be successful in their commercial ventures.

With the government's backing and need for more investments and technology, Fihav '94 has promoted many new agreements and office expansions in Havana.

The fair is being attended by 795 foreign firms from 46 countries, and during its opening ceremony, Carlos Lage, the vice president of the Cuban Council of State, pointed out that foreign capital can be used in all areas of production.

A new Cuban proposal has been made to cover the sugar industry and real estate sectors, supported by a new investment law that is currently being studied.

Lage also referred to the guarantees that are offered and to the agreements that were recently signed with Italy, Russia, Spain, and Colombia. Identical documents are pending to be signed with the UK and other European and Latin American countries.

Confirm Interest in Local Markets

PA0411032494 Havana PRENSA LATINA in Spanish 0952 GMT 3 Nov 94

[FBIS Translated Text] Havana, 3 Nov (PL)—The 12th International Fair is on its fourth day amid an atmosphere of feverish commercial activity and the participation of 46 countries from every continent.

Cuban Foreign Relations Minister Roberto Robaina on 1 November toured the facilities and paid special attention to Cuban stands exhibiting the island's tourism industry.

Tourism occupies a very prominent position at this fair and this confirms the strategic importance that the so-called smokeless industry has for the national economy.

This year, 725 foreign companies occupying 10,200 square meters and 270 Cuban companies occupying 7,200 square meters are participating in the fair.

Businessmen consulted by PRENSA LATINA agreed that this year's exhibit is characterized by a variety of very atractive interests and participants.

Certain executives of countries such as Argentina, representing companies specializing in food products, think that Argentine businessmen should prepare more intensively for next year's fair because of its high profile.

Representatives of the Elec-International Company of Chile are surprised by the large number of exhibits and praised the high technical quality of Cuban personnel, which they said is one of the most significant incentives for foreign capital investment in Cuba.

This opinion is supported by a large group of Italian businessmen who voiced their satisfaction with the economic changes that are taking place in Cuba to further facilitate the arrival of foreign capital.

This view was shared by executives of the Confederazione Nazionale Artigianato e Piccole Imprese, which brings together more than 300,000 businessmen.

The president of this institution, Alberto Boscagli, believes that "things are changing in Cuba for good."

Cuban Vice President Carlos Lage four days ago, as he inaugurated the Havana fair, announced the opening of all areas of the economy including the sugar industry, which had been so sensitive until now, as well as the area of services, except for education and public health.

Other areas that had been closed to foreign capital, such as the domestic market, are now open to investments, and several businessmen are already discussing this possibility with local commerce authorities at this event.

Despite a rigorous U.S. embargo, Cuba has so far established 165 economic associations with foreign companies in 26 of the country's economic areas.

More than 200 projects are being negotiated, and the interest of U.S. companies to set up shop in the country is rising.

Representatives of 69 U.S. companies, of which 14 are extraordinarily important because of the volume of their business, visited Cuba in the first half of 1994 alone, and the signing of letters of intent with them is being promoted.

These commitments would come into force as soon as commerce between the two countries is authorized, a development that influential U.S. experts do not see as being too far away.

Radio Reports Aid Shipment Attack in Miami

FL0411034694 Havana Radio Rebelde Network in Spanish 0000 GMT 4 Nov 94

[From the "Exclusive" program]

[FBIS Translated Text] A [word indistinct] terrorist in Miami tried to set fire to a 25-tonne humanitarian aid shipment that the fourth United States-Cuba friendship caravan pulled together and earmarked for Cuba. The national leadership of Pastors for Peace, a U.S. religious organization which promotes the caravans, made the accusation. Four individuals doused the warehouse in which the shipment was being kept with 25 gallons of gasoline. (Thomas Hansen), the Pastors for Peace coordinator, said that a tipoff led the FBI and Miami police to catch the individuals before they could start the fire.

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Bomb Goes Off Outside Cuban Embassy in Managua

PA0311230194 Havana PRENSA LATINA in Spanish 2157 GMT 3 Nov 94

[FBIS Translated Text] Managua, 3 Nov (PL)—A low-intensity explosive device went off against the wall of a house located in front of the Cuban Embassy in this capital. No casualties or damage were reported.

A local radio station reported the incident, which occurred yesterday, called it an anti-Cuban action.

However, all the installations of the Cuban Embassy are in perfect condition, and pieces of shrapnel were imbedded in the outer wall of the aforesaid house, next to a residence of the Colombian Embassy.

The Cuban mission is carrying on its consular activities normally, national and international reporters accredited in this capital have confirmed.

Colombian Foreign Minister Arrives on Visit

PA0411022294 Havana PRENSA LATINA in Spanish 0436 GMT 3 Nov 94

[FBIS Translated Text] Havana, 2 Nov (PL)—Colombian Foreign Minister Rodrigo Pardo began an official visit to Cuba today and described the current relations between the two countries as dynamic.

Pardo was received at Jose Marti International Airport in Havana tonight by his Cuban counterpart, Roberto Robaina, and he praised their current bilateral ties as corresponding to neighbors and friends with many common objectives.

Robaina praised the sincerity and depth of the relations, which were renewed in October 1993, and said the solidity of those relations is not based on length of time but on their vitality.

He explained that the visitor and the accompanying delegation will hold meetings at the most important ministries of the country to discuss issues related to the sugar industry and the scientific sector, among others.

Replying to a PRENSA LATINA question, Pardo said he favored increasing their joint efforts in the commerce and investment areas and added that he was also in favor of improving their level of communications on issues related to international and hemispheric politics.

It is very important for Colombians to know much more about Cuba and that Cubans know more about Colombia and that the people of both nations become much closer, he asserted.

Later, the Colombian foreign minister emphasized the importance of the meeting of Colombian and Cuban university directors scheduled to start upon his arrival, because it helps us advance in the direction of increasing our mutual recognition.

The delegation headed by Pardo will undertake, starting tomorrow, a broad working agenda that will begin with the official talks between the two foreign ministers, a reception for the diplomatic corps accredited to Cuba, and a news conference.

Also, Pardo will place a wreath at the Jose Marti Monument at Revolution Plaza and will tour Havana's historic center.

The Colombian mission will remain in Cuba until next Saturday [not further specified]. It will return to Bogota on the evening of that day.

Meets Robaina, Comments on Miami Summit

PA0411041294 Havana PRENSA LATINA in Spanish 0034 GMT 4 Nov 94

[FBIS Translated Text] Havana, 3 Nov (PL)—Colombian Foreign Minister Rodrigo Pardo said here today that his country will advocate in the upcoming hemispheric summit in Miami a greater integration of the countries of the continent and an end to protectionism blocking free trade.

In a news conference in this capital following the first official talks with his Cuban colleague Roberto Robaina, Pardo explained the objectives and proposals the government of Santa Fe de Bogota will present in that summit, in which—he stressed—we will participate in a constructive manner despite some adverse circumstances.

Among the main topics Colombia will present in the summit, Pardo mentioned the issue of hemispheric trade. He said it is necessary to begin working on reaching regional mechanisms that will, in the medium term, lead to a true liberalization in this area.

According to the Colombian foreign relations minister, his government will voice concern over a trend among industrialized nations to increasingly apply disguised nontariff restrictions which, according to him, represent a new form of protectionism that depends on other kinds of obstacles against products of poor nations.

"Colombia is currently facing difficulties entering the U.S. flower, banana, and tuna market, so the summit (scheduled for next December) will be a good opportunity for all countries of the hemisphere to discuss aspects blocking their trade," Pardo emphasized.

Regarding drug trafficking, he added, we are going to stress—as experience has demonstrated—that only through concerted international actions among all countries affected by the different manifestations of this scourge can we reduce this problem. He noted nothing can be achieved if drug consumption in developed countries increases or remains unchanged.

In addition, Pardo will ask summit participants to sign a document to hold a world convention against money laundering, which is, acccording to him, a multinational

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phenomenon that continues to promote production, trafficking, and consumption of narcotics.

When asked if Colombia will request at the Miami Summit that the U.S. economic blockade against Cuba be condemned, Pardo denied this will happen and recalled that in different forums, even recently at the United Nations, Colombia voted against what he defined as an unfair and unilateral policy.

Rodrigo Pardo arrived yesterday in Havana, at the head of a large delegation of businessmen, government officials, scientists, and academicians to strengthen relations with Cuba in these and other areas.

Castro Meets With DPRK Party Official

FL0311151094 Havana Radio Rebelde Network in Spanish 1255 GMT 3 Nov 94

[From the "Doing Radio" program]

[FBIS Translated Text] Commander in Chief Fidel Castro has met with Comrade Hwang Chang-yop, secretary of the Central Comittee of the Korean Workers' Party, and his delegation.

Raul Castro Bids Farewell to Russia's Kolesnikov

FL0311125794 Havana Radio Reloj Network in Spanish 2049 GMT 2 Nov 94

[FBIS Translated Text] On 2 November Army General Raul Castro, minister of the Revolutionary Armed Forces [FAR], said farewell to Colonel General Mikhail Kolesnikov, chief of the Russian Federation Armed Forces general staff, at Jose Marti International Airport in Havana.

Kolesnikov and members of his delegation ended their working and friendship visit to Cuba. During the visit Kolesnikov met Commander in Chief Fidel Castro. The Russian military delegation also had talks with the vice ministers of FAR in the FAR building.

FAR officials and the ambassador of the Russian Federation, Arnold Ivanovich Kalinin, also attended the farewell ceremony.

Brazilian Delegation Interested in Economic Ties

PA0311163094 Havana PRENSA LATINA in Spanish 1709 GMT 1 Nov 94

[FBIS Translated Text] Havana, 1 Nov (PL)—Brazilian businessmen today expressed their interest in Cuba's agro-industrial, communications, oil, and biopharmaceutical sectors as they were welcomed by Foreign Trade Minister Ricardo Cabrisas.

In their second day of activities, the delegation of 25 businessmen met with the minister, who expressed his confidence in prospects of continuing to promote exchanges because of the natural favorable conditions that exist for promoting more significant participation in the Cuban economy by Brazilian businesses.

Cabrisas said relations are following the right path and that there is increasing awareness in both countries. It is only a matter of making our interests compatible, he added.

According to Brazilian sources, in 1993 trade with Cuba amounted to some $30 million—an amount both countries view as insufficient.

Paolo Alberto Soares, Foreign Ministry deputy director for trade promotion, said his government is interested in a more involved and long-term relationship with Cuba which requires the drafting of a joint action plan.

Soares explained that there are sectors in which businessmen have marked interest: agro-industry, communications, oil, and biopharmaceutical production. He added that in the next three days, specific trade and investment projects will be defined.

The business delegation—considered the most significant one ever to visit Cuba because of its high-level members—will meet today with Foreign Vice Minister Jorge Bolanos and Ernesto Melendez, the minister for foreign investment and economic cooperation.

The signing of an agreement to ensure the mutual protection of investments by the two governments is scheduled to take place at the Foreign Investment and Economic Cooperation Ministry.

The signing of a cooperation protocol on energy and electricity between Cuba's Energoimport company and Furnas Centrales Electricas of Brazil is scheduled to take place during an interview with Basic Industries Minister Marcos Portal late this afternoon.

Foreign Minister Roberto Robaina also will meet with the businessmen.

Brazilian Electric Firms Sign Joint Protocols

FL0311191394 Havana Radio Rebelde Network in Spanish 1800 GMT 2 Nov 94

[From the "National Radio News"]

[FBIS Translated Text] Cuba's Electric Union and Brazil's Electro-Brazil and (Furnas Centrais Eletricas) enterprises have signed a protocol for scientific and technical cooperation. The document was signed by Ronaldo Fabrizio, director-president of (Furnas Centrais Eletricas)—the biggest Brazilian electric enterprise—Rafael Soler Deschapel, director of the Cuban Electric Union, and Jorge Luis Joteron, of the Energo Import enterprise.

[Begin Fabrizio reporting] The agreement we just signed in Cuba will make it possible to begin immediate cooperation with Energo Import. Three months ago we sent three Brazilian experts to Cuba. They made an evaluation of the electricity problems together with Energo Import. The main problem is the fuel—the use of crude

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affects the installations—and because Cuba has plants from different sources, the supply of spare parts becomes difficult.

Therefore, now that we have signed the protocol, we plan to quickly send to Cuba a group of Brazilian experts to establish priorities jointly with Energo Import. It is first necessary to reestablish the efficiency of the conventional [words indistinct], and also take more time to study what needs to be done to complete the nuclear plant. [end recording]

The Brazilian delegation has met the ministers of basic industry and foreign investment, and other meetings are scheduled at (Cimex) and Cubanacan.

To Assist With Thermonuclear Plant

PA0411032694 Havana PRENSA LATINA in Spanish 0133 GMT 4 Nov 94

[Report by Elsy Fors]

[FBIS Translated Text] Havana, 2 Nov (PL)—A Brazilian business mission that is concluding a set of meetings and talks with ministers and local business executives tomorrow, agrees with Cuba's opinion that Brazil's input into the island's economy is insufficient.

To correct this lag, the biggest Brazilian electric enterprise signed a protocol for scientific and technical cooperation with the Cuban Energo Import here, and will immediately start to evaluate the island's difficulties in this essential sector.

Ronaldo Fabrizio, president of Furnas Centrales Electricas of Brazil, told PRENSA LATINA that the agreement will allow them to immediately start to assess the problems and determine ways to reduce the corrosion in the thermonuclear plants' boilers, caused by the use of domestic crude oil.

Fabrizio stated: "The first priority is to restore the efficiency the thermal plants have lost. The second priority, with more time, is to cooperate with Cuba in the nuclear sphere, in which Brazil has vast experience," and to finish the works on the first generating line of 440 megawatts in the electronuclear plant located in Juragua, in the central province of Cienfuegos.

"Undoubtably, Cuba is in a new development phase, and electricity is essential to this development," said the president of Furnas, the Brazilian Government's electricity institute.

"I think relations between Brazil and Cuba were never better," said the businessmen and added: "We have many things in common, and I believe we can do a great deal together."

He asserted: "We agree with the Cuban Government's current position of opening the economy to foreign countries without losing its sovereignty." And he made a call that they make the most of the possibility of working together.

When the Brazil-Cuba business meeting started last Monday [24 October], Paolo Alberto Soares, the president of the Brazilian delegation and deputy director of the Brazilean Foreign Ministry's trade promotion office, announced that a joint investment protection agreement is in the negotiation phase.

Cuba has signed this type of government guarantee with Italy, Russia, Spain, and Colombia. It has also initialed an agreement with the United Kingdom and is discussing similar agreements with Brazil and Switzerland, among others.

Ernesto Melendez, the Cuban foreign investment and economic cooperation minister, explained to the Brazilian businessmen that this South American country has an important role in Cuba's efforts to reenter the world economy.

Commentary Cautions Against 'Exported' Dreams

FL0311184494 Havana Radio Rebelde Network in Spanish 1255 GMT 2 Nov 94

["Our Opinion" commentary by Ariel Larramendi Villafanez; from the "Doing Radio" program]

[FBIS Translated Text] People like to fulfill their dreams, turn them into reality. Who among us has not daydreamed about fulfilling a cherished dream? Who has not hoped to turn into reality their most honest dreams, or something infinitely less complex, such as an affair with a beautiful woman who is beyond one's reach? The number of dreams is endless.

A poet once said: Dreams are dreams, and it is not always healthy to fulfill them. For many years now, dreams have been massively exported to the Third World. Life-styles, fashions, eating habits are exported. All manner of luxuries, personal attitudes, and behavior and consumption patterns, foreign to the reality of underdeveloped countries, are shown. The most interesting thing about this is that the dreamweavers, particularly the United States, are aware that the immense majority of the audience being fed that dreamy merchandise will never attain it. The goal is evident: To let dreams about a better life thwart the people's action toward attaining the dreams. Meanwhile, the dreamweavers are aware that if their living standards were available to all the members of the Third World, the earth's resources would be quickly depleted and they would be the first to suffer the consequences.

Something that I have always found interesting is that in many humble dwellings—shacks to be exact—that I have visited in several countries in Latin America, the people lack latrines and lived in the most precarious of situation. Yet, I found a television set in most of them. Thus, the main dream transmission machine of this era was

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present in the midst of poverty with the dreamy and unreal messages portrayed by soap operas and advertising. That aberration of values which makes a television more important than a latrine or a pair of shoes in our poor and impoverished nations is one of the goals of the empire's message: The alienation of the people from their reality, which makes them less dangerous, more docile, and less prone to seek or find the cause of their affliction.

We are not immune to the siren songs and other outlets of the empire which advocate as life-styles or solutions to individual problems. For example, the Brazilian soap opera "Anything Goes," has resulted in the appearance of illegal restaurants throughout Cuba. The main character, who began selling fritters on the beach in Rio de Janeiro, went on to become the owner of a chain of restaurants. This is why the people came to call these facilities Paladar, the same name as that used in the soap opera.

However, that dream, deep down, was a minor malady. Given our circumstances, there are other more dangerous dreams, such as those dreamt by some people who seek to import life-styles from developed nations unaware that they are not ready to enjoy or sustain these dreams. They want the advantages of capitalism but not the consequences. There are even worse dreams: The dream that annexation will solve all the problems of the country and we will swim in abundance overnight by the grace and mercy of the empire. Mercy which, by the way, has never been an attribute of the empire.

There are 270 million people living in the uttermost poverty in Latin America; of these, 84 million are indigents. [sentence as heard] Before the Revolution, there were 700,000 unemployed workers and 1 million illiterate people in Cuba, public health was a disaster, and the farmers' situation was pitiful. Cuba was nothing more than an appendage of the United States.

The empire's magnanimity is another of the dreams exported. I am saying this because I have met some youths who dream the empire's dreams and unknowingly become tools of a policy intent on putting an end to our sovereignty, independence, and our dignity as a nation and human beings. Many people woke from that dream in camps in Guantanamo or Panama. This is because the dreams the empire exports have little to do with the reality of its goals. This has to be understood well and quickly because in the end no one can be sure that in a capitalist society such as the one dreamt for Cuba, they will live in luxury. If anything, they will have great opportunities to live in the most absolute abandonment, as many millions do in Latin America and the United States.

The Cuban people, now more than ever, cannot afford to dream our lives away. We have to dream wide awake. This is what it is all about.

'Straight Talk' on Price Rises, Decline in Quality

FL0311185594

[FBIS Editorial Report] Havana Radio Rebelde Network in Spanish at 1700 GMT on 3 November 94 carries its "Straight Talk" program with host Carlos Santana Ojeda and guest Renato Recio. The program features a discussion on the relationship between the increased cost of services and the expected increase in their quality.

Recio states that the increase in fees was necessary in order to balance national finances and that the people, prompted by the media, logically expected to see an increase in quality to follow the increase in costs. Recio and Santana state that this is not happening and a good example is the deterioration of services in trains, planes, and bus rides. Recio adds that he keeps finding poorly made—half filled and thin—cigarettes and poorly glued cigarette boxes.

Recio stresses that beyond objectives causes, there "is a lack of willingness of improve quality. There is no respect for consumers." He adds the country needs to stress the relationship between quality and prices and establish a work ethic reflecting this. Santana gives the example of the farmers' markets where prices are determined by the quality of the products.

Recio states that quality is essential in tourism, a source of income on which "Cuba will depend heavily." He adds that "currently shoddiness reigns when the entire economy should be grounded in excellence."

Recio adds that a state decree can change prices overnight but not establish discipline. He says the media's constructive criticism contributes significantly to establishing the culture needed. He also adds that there is no organization in Cuba representing consumer's interests and one should be established in the future.

Recio further develops the concept of objective versus subjective difficulties, and once again stresses that discipline, and managerial skills are not developed overnight.

Recio warns that there is danger inherent in poor quality food items at state markets and high quality products at the farmers markets because low income earners cannot access the farmers markets. He adds: "It is unfair to the people who cannot buy in the farmers markets; El Che said quality is respect for the people."

Recio closes by stating: "Everyone must struggle and hope for the revolution to move ahead. We either become efficient or we will lose the battle."

Authorities Inspect Bejucal Municipality Defenses

FL0411033794 Havana Radio Reloj Network in Spanish 2038 GMT 3 Nov 94

[FBIS Translated Text] Bejucal Municipality was inspected today as part of the Western Army's inspection efforts in seven Havana Province municipalities. The

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inspection included visits to defensive areas and economic centers in the area and target practice. Brigadier General Guillermo Fleitas [name and title as heard] heads the inspection team. One of his objectives is to ensure that Army General Raul Castro's guidelines on local food production initiatives are being followed. The Bejucal inspection opened with a brief ceremony today, during which several Territorial Troops Militia [MTT] members received certificates recognizing them as MTT founders. The Western Army's inspection team and the provincial staff will continue with the inspection of Havana Province in the following municipalities: Artemisa, Batabano, Jaruco, Guines, Melena del Sur, and Madruga.

Inter-Caribbean Affairs

Officials Discuss Business in Run-Up to Miami Summit

FL0311184694 Bridgetown Caribbean Broadcasting Union Television in English 1810 GMT 2 Nov 94

[Report by Debbie de Gannes, Trinidad and Tobago Television correspondent, on a meeting of Latin American officials in Port-of-Spain in preparation for the Summit of the Americas; from the "CBUTV Caribvision" newscast]

[FBIS Transcribed Text] Developing an action plan to promote the viability of small business and microenterprise is the main focus of this two-day presummit meeting. In discussing the draft action plan, most representatives agree that financial institutions need to be tailored to meet the needs that are specific to microentrepreneurs. A representative for Caricom [Caribbean Community] told participants that there is great need for additional support measures:

[Begin unidentified speaker recording] These enterprises often need a package of support measures, including managerial advice, access to information, training assistance, marketing, and access to financial capital at the most advantageous rates to lower cost. [end recording]

This opinion was reinforced by representatives from Peru, Argentina, and Venezuela. They suggested the removal of barriers to accessing training and technological know-how and reestablishment of a link between finance, training, and technological support. Among the other recommendations this morning was the suggestion that financial assistance and equity funding should not be funneled through governments but should be handled by nongovernmental organizations so as to avoid bureaucratic delays.

The presummit of the Americas conference continues tomorrow, when government representatives adopt a draft consensus position for next month's summit in Miami. [video shows banner reading: "Preparatory Meeting on Microenterprises and Small Business Development, Trinidad and Tobago, 1-2 November 1994"]

Haiti

Chiefs of Sections Banished From Military Structure

FL0311172194 Port-au-Prince Radio Metropole in French 1045 GMT 03 Nov 94

[FBIS Translated Text] The chiefs of sections are from now on banished from the military structure. The Haitian Armed Forces High Command has ratified the decision made on 28 October by President Aristide. In a press release, the Army headquarters announced the end of activities of the rural police agents, commonly called chiefs of sections.

Instructions were given to the various department commanders so that weapons, ammunition, and state properties in general that are in the possession of the chiefs of sections are recovered without delay. By the same token, the military hierarchy asked all of those who hold grievances against the former chiefs of sections to, I quote: follow the normal judicial procedure in view of harmonizing their behavior with the reconciliation process advocated by the head of state, unquote.

It should be recalled that President Aristide had announced on 30 October the disarming of all the chiefs of sections throughout the nine departments of the country, inviting the dismissed police agents to adopt a new behavior. The head of state had also warned against all acts of vengeance from the civilian population. Jean-Bertrand Aristide had also asked the people in charge of the Communal Section Administrative Council [CASEC] to collaborate with the former chiefs of sections while waiting for the law on territorial communities, a law that the senators began to consider at the beginning of the week.

Aristide Meets Politicians on Elections

FL0411024194 Port-au-Prince Signal FM Radio in Creole 1900 GMT 3 Nov 94

[FBIS Translated Text] President Jean-Bertrand Aristide insists on reconciliation. He and several Haitian politicians have begun preparing for nationwide elections, which must be held soon. Aristide reportedly invited politicians to the National Palace to discuss the date for the elections and international community support to ensure that they are democratic. Aristide mentioned ways in which to prepare the electoral bulletins and the date for elections, which has not yet been chosen. Legislative and other elections reportedly could be held in December or January. It should be noted that Parliament is now working on many bills and that deputies have begun touring their constituencies to campaign for the coming elections. Several Haitian politicians were quite satisfied with meeting Aristide on the next round of elections.

Aristide Lays Wreaths, Meditates at Graves of Victims

FL0311173894 Port-au-Prince Radio Metropole in French 1045 GMT 3 Nov 94

[FBIS Translated Text] On 2 November Haitian President Jean-Bertrand Aristide made his first public venture out by

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car accompanied by a significant American escort. On the occasion of All Souls' Day, a holiday in Haiti, the president laid wreaths in memory of the victims of the coup d'etat which had overthrown him on 30 September 1991. An impressive security perimeter was set up by the American military, joined by some members of the Haitian Army. On this outing, the first one since the return of the president to Port-au-Prince on 15 October, about 10 armored cars were mobilized and helicopters flew over the Haitian capital.

President Aristide began by laying a wreath before the National Palace in memory of Fritz Pierre-Louis, a captain killed during the putsch; he later went to the Sacred Heart Church to lay two other wreaths in memory of his Justice Minister Francois Guy Malary, murdered about a year ago, and of one of his most fervent supporters, Antoine Izmery. The Haitian president then observed a minute of silence at the Port-au-Prince cemetery where he laid a wreath in memory of the victims of repression which followed his departure from Haiti in 1991.

It should also be noted that President Jean-Bertrand Aristide also meditated at the grave of his companion in struggle, Father Jean-Marie Vincent, who was assassinated in Port-au-Prince on 23 August.

Stages Walkabout in Cite Soleil

FL0411025994 Port-au-Prince Radio Metropole in Creole 2100 GMT 3 Nov 94

[Report by correspondent Rothschild Francois, Jr.]

[FBIS Translated Text] President Jean-Bertrand Aristide today directly addressed the Port-au-Prince poor for the first time since returning to Haiti on 15 October. Aristide addressed several thousand people, including U.S. National Security Adviser Anthony Lake, U.S. Ambassador to Haiti William Lacy Swing, U.S. Commander in Haiti General (Mead), Minister Cherestal, and other officials, in Cite Soleil. Aristide first thanked President Clinton's team for working toward 15 October, the date on which Aristide returned to Haiti. Lake then spoke, saying that he is very pleased with the U.S. troops' work in Haiti and that the U.S. Government wants to restore democracy in Haiti and help the country progress and develop. Aristide took the opportunity to report that several projects have been planned to help Cite Soleil residents:

[Begin Aristide recording] The government will build a high school in Cite Soleil. [applause]

The government will fund a national school in Cite Soleil. [applause]

The government has already found 1,000,000 gourdes to help victims of the 27 December fire. Japan has offered 2.5 billion gourdes to help the victims. This will happen very soon. Since [word indistinct] is working so that this case goes fast, we encourage them and thank them. They are working hand in hand with the Public Health, Social Affairs, and Planning Ministries—the minister is here, with us—the Development and Health Center; the International Red Cross; and Father Volel, such a great (?man) for the work that he is doing to help you face your misery. I thank him and applaud him and all the Salesian sisters. [end recording]

Aristide also reported on a project to provide drinking water to Cite Soleil residents. Aristide then moved closer to the crowd of supporters during this, his first walkabout since returning on 15 October.

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Government To Back Returning 'Illegal Immigrants'

PA0411032894 Mexico City NOTIMEX in Spanish 220911 GMT 3 Nov 94

[FBIS Translated Text] Mexico City, 3 Nov (NOTIMEX)—Mexican Foreign Secretary Manuel Tello Macias today gave assurances that the Mexican Government would give medical assistance and educational support to Mexican illegal immigrants who wish to return to the country.

The measures will be taken to respond to the needs of immigrants in California who could be affected by Proposition 187, promoted by Republican Governor Pete Wilson, the foreign secretary said.

Tello Macias said that in view of Proposition 187, which calls for denying medical attention and education to immigrants in California, the Mexican Government has presented several diplomatic notes and protests.

He said Mexican authorities will continue their efforts to prove the unconstitutionality of that initiative, which will be subject to a referendum on 8 November, to prevent its approval.

He recommended waiting until that date to learn the results of the referendum. He noted, however, that should the initiative, which is seen as extremely racist, be approved, "then we would adopt pertinent measures."

Tello Macias said that the Mexican Government's main concern is defending the interests of Mexicans who live in California and whose human and labor rights could be affected.

The governor of California promotes the approval of Proposition 187, which recommends denying medical and educational services to Mexican illegal immigrants in that state.

In addition, the initiative proposes that doctors and teachers become informers for local authorities of any patients or students who they suspect could be illegal immigrants.

Opposition Parties Urge Real State Reform

PA0411035394 Mexico City LA JORNADA in Spanish 2 Nov 94 p 6

[Report by Nestor Martinez]

[FBIS Translated Excerpt] Although with a diversity of shadings, the three oppositon parties in the Chamber of Deputies yesterday urgently called for a real state reform that will make the country freer, fairer, and more democratic.

In the speeches that preceded President Carlos Salinas' sixth and final state of the nation address, representatives from the Labor Party [PT], Party of the Democratic Revolution [PRD], and National Action Party [PAN] agreed on the need to establish the separation of the branches of state, establish the validity of institutions and federalism, revise the methods used to make legal appointments and administer justice, reform the economy and eradicate presidentialism. [passage omitted]

The three opposition parties harshly questioned the Salinas administration's economic policy, which, they said, has intensified the country's inequalities, and its refusal to move toward a democratic system, and they were particularly critical of the inequalities of the past federal elections, which resulted in the strengthening of the state party.

National Dialogue, PT Demand

PT Deputy Joaquin Humberto Vela Gonzalez said that Salinas began his mandate with his legitimacy widely questioned, and he is ending it now "in the middle of a profound social and political crisis whose epicenter is in Chiapas but is not limited to that state, and besieged by antagonism and corruption within the apparatus that led him to power: the government party."

Vela Gonzalez pointed out that the combination of crises, added to the limitations and contradictions of the economic policy that was implemented, are threatening to cause a situation of unpredictable consequences.

"The goal of his administration"—Vela stressed—"was to promote the country's modernization and combat poverty. It is on this that he must be judged!"

The deputy underscored that Salinas concentrated benefits in the hands of a new oligarchy of important financiers, to the detriment of the majority of workers, peasants, small and medium-sized businessmen, and a growing mass of unemployed and part-time workers.

He spoke of the disaster that industry as well as the countryside are experiencing and noted that added now to the traditional delays in the social sphere "are public insecurity fostered by the corruption of certain members of the judicial apparatus, and the absence of an efficient public security policy. "This situation"—he underscored—"has been intensified by one of the end-of-century scourges: drug trafficking."

In the political sphere, Vela Gonzalez pointed out that none of the three electoral reforms totally fulfilled society's demands for democratization, because of the unequal conditions favorable to the government party that prevailed in the competition.

"In future, the discussion of any type of reforms must be inclusive, it must incorporate all the political forces and not only two or three, if they decide to invite the PRD," Vela Gonzalez said. [passage omitted]

Salinas, Forever Illegitimate: PRD

Meanwhile Jesus Ortega, coordinator of the PRD faction, pointed out straight away that the current government was formed through high treason and is ending now with unprecedented assasinations that are offensive to the national conscience.

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Ortega referred to the arguments, which, from a position of power, justify the achievements of the Salinas administration and, for each one of them he found a negative social consequence: that Mexico joined the club of wealthy countries, but has 8 million unemployed workers; that Salinas managed to control inflation, but based on six years of stagnation and growing inequalities; that the free trade agreement was signed, but in five years thousands of large, medium, and small businesses went bankrupt, and 15 million peasants and farm producers are in agony. [passage omitted]

Ortega pointed out that in six years there were three electoral reforms and a real one is still needed. In Mexico, he added, "we are still suffering from a state party system; a system that is inherently fraudulent, whose very survival depends on fraud."

The deputy asked if anyone was naive enough to believe that the war in Chiapas resulted from the actions of a group of destabilizers and that they can be brought under control through isolation, or by distributing supplies to them or by giving them Procampo [Program of Direct Support to the Countryside] checks. [passage omitted]

The PAN, For a De Jure State

In the opinion of Fernando Antonio Lozano Garcia, coordinator of the PAN faction, the country's problem is that we have not achieved a fully democratic system and reality demands that we live in democracy.

The law, he said, defines a democratic, federal republic, as one with clear separation of powers, autonomous states, free municipalities. In reality, he pointed out, we are still living in a centralist system that refuses to acknowledge limits.

"The mission is to achieve an authentic national and de jure state. It is our understanding that the branches of state should be really and respectfully separate, each one fully performing in accordance with the law, the important social duties entrusted to it." [passage omitted]

Greater and More Respected: PRI

The last person to speak was PRI [Institutional Revolutionary Party] Deputy Jose Natividad Gonzalez Paras, who, after recounting the complex economic and social situation that prevailed in Mexico in 1988, said that now Mexico is a greater and more respected country. "It is better than the Mexico of six years ago," he said. [passage omitted]

Authorities Investigating Causes of Demonstration

PA0411034794 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 3 Nov 94

[FBIS Translated Text] In Mexico City, the Federal District's State Attorney's Office is investigating yesterday's acts of violence between police and militants of the Party of the Democratic Revolution [PRD].

Jorge Pena Sandoval, director of the Investigations Department, has reported that video evidence will serve to clear up what happened. He said that assault and battery charges filed against 19 police agents by Roads and Safety Secretary Rene Monterrubio will be investigated.

Pena Sandoval said that the names of several PRD leaders and militants have been mentioned in the investigations but that there is no precise information on who participated in the riot.

So far the district attorney's office in the capital has received no charges from the PRD.

Pena Sandoval said his office will examine all charges, be they from the PRD or from cameramen and photographers who were hurt.

Rene Bejarano, a PRD leader in the Federal District, has cautioned that PRD militants will continue carrying out demonstrations under all kinds of situations.

In spite of the violence unleashed when PRD demonstrators tried to reach Mexico City's Zocalo, the party will not stop carrying out mobilizations and its members will defend themselves when this become necessary.

[Begin Bejarano recording] Contingents from several organizations will carry out self-defense actions to repel police aggression. I think it is enough that the injured are always from the side of the demonstrators. [end recording]

In assessing the clash between PRD militants and policemen, Mexico City PRD leaders said they did not initiate the aggression and that the policemen could have been under the influence of some drugs.

[Begin Bejarano recording] Judging from their behavior, the policemen could have been under the influence of drugs at the moment of the aggression. It would be good if antidrug procedures could be used to determine if these people were stimulated to perform their not so pleasant duties. [end recording]

A bulletin issued by the Federal District accuses the demonstrators of not respecting the agreement to enter Zocalo only after the president had left the National Palace. The capital's PRD office has affirmed there was no such agreement.

Bejarano said he does not know about that and that his people will gather evidence to file charges against Monterrubio. Bejarano said no party member was seriously injured. He stated solidarity with injured photographers and said they will take the case to the Federal District's Human Rights Commission.

The PRD cautioned that already announced demonstrations will not be suspended but said the party will try to agree with the authorities on the time and route of the demonstration, and that security arrangements will be strengthened.

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Guanajuato Governor Denies Zapatist Militia Exists

PA0311191294 Mexico City LA JORNADA in Spanish 2 Nov 94 p 35

[Report by Alberto Espinosa]

[FBIS Translated Text] Queretaro, Queretaro, 1 Nov—"That is merely a rumor; I know nothing about it," said Guanajuato Governor Carlos Medina Plascencia yesterday, when referring to the alleged creation of the self-proclaimed Zapatist Militia of Sierra Gorda (MZSG) into Querato and Guanajuato.

Medina Plascencia said his administration, in coordination with the Attorney General's Office (PGR) and the Military Zone, maintains constant surveillance to prevent criminal actions, adding that not one single group attempting to conduct armed actions has been detected.

Nevertheless, local residents report that three days ago "a column of armed individuals dressed like guerrillas" crossed over from Jalpan de Serra Municipality to Pinal de Amoles Municipality.

Pinal de Amoles priest Gregorio Sanchez Morales said he has no knowledge of armed peasants, but, he added, for the past week he has noticed increased military and police deployments in the area.

Leopoldo Duran, secretary general of the Arroyo Seco Town Council, pointed out that there is tension and uncertainty in the town, but he attributed this to the recent changeover in municipal authorities, a process during which PRD [Party of the Democratic Revolution] members blocked the municipal presidency to demand the dismissal of PRI [Institutional Revolutionary Party] Mayor Domingo Gomez Landaverde.

Meanwhile, Queretaro Governor Enrique Burgos Garcia says that since the beginning of his administration he has tried to focus on increased opportunities for participation and joint responsibility—efforts that "have shown results."

Elsewhere, Queretaro PGR and State Judicial Police (PJE) spokesmen said they have not deployed any personnel to the area in which the MZSG is reportedly located. In Irapuato, Guanajuato, Antelo Jimenez, head of the 16th Military Zone, said that in order to investigate or detect possible armed groups, the National Defense Secretariat would have to coordinate with the 17th Military Zone in Queretaro.

The highlands of Sierra Gorda comprise a strip of mountains that runs from Hidalgo through Queretaro to Guanajuato, although there are communities in San Luis Potosi that share the same traditions and language as the highlanders. The area is inhabited by Otomi Indians; to the north, the areas adjacent to Guanajuato and San Luis Potosi are inhabited by Pames and Jonases; and, to the south, there are scattered enclaves of Chichimecas.

In Acapulco, Eloy Cisneros Guillen, a former political prisoner and PRD legislator, said the alleged existence of the MZSG is the result of the extreme poverty being experiencing by broad sectors of the people. According to a report by correspondent Juan Jose Guadarrama, the peasant leader from Costa Chica warned that in Guerrero the possibility has not been dismissed that such groups could emerge in response to the poverty and repression to which thousands of citizens are subjected.

Consultant Seeks Trade Ties With Caribbean

FL0311234794 Bridgetown Caribbean Broadcasting Union Television in English 1810 GMT 2 Nov 94

[Report by Denise Moore, Trinidad and Tobago Television correspondent, on remarks by Dr. (Cervantes), a Mexican consultant, in Port-of-Spain; from the "CBUTV Caribvision" newscast]

[FBIS Transcribed Text] The Mexican consultant notes that Mexico must provide an attractive gold mine for Caribbean exporters. Mexico City alone, he says, would offer a potential market of over 18 million persons. Add to that the fact that the country's middle class is slowly growing, says Dr. (Cervantes), and it's easy to see why other countries, such as the United States, are moving to cash in on the expected growth and demand for consumer items. But Dr. (Cervantes) feels that small countries, such as Trinidad and Tobago and a few of the other Caricom [Caribbean Community] countries, have an advantage over the trade giants simply because they've been doing business with Latin Americans for some time:

[Begin (Cervantes) recording] You already are doing trade with Latin American people. You know the culture, you know how the Latin American people behave. So, that's an advantage, for you to know. [end recording]

Dr. (Cervantes) says Mexico's involvement in NAFTA and the nature of its economic reform all point to a growing desire to trade with an increasing number of partners, and, he says, the fact that Mexico is the largest foreign investor in Cuba is evidence of this. But he also points out that Mexicans know relatively little about the people and products of the Caribbean:

[Begin (Cervantes) recording] I guess the image that we hear of the Caribbean is the easygoing...[pauses] nice beaches, and that's it, tourism, you know, maybe going on a cruise. That's what we hear. But we don't know you. We need to know you. You need to get closer to Mexico. [end recording]

The consultant says the scarcity of information about the region can be traced to a lack of representative bodies in Mexico. Dr. (Cervantes) feels this country should follow suit from Jamaica: Jamaica is to establish a trade office in Mexico early next year. For its part, the TTMA [Trinidad and Tobago Manufacturers' Association] has decided to launch a trade mission to Mexico in the first quarter of next year, with a view to exploring new trade opportunities. [video shows (Cervantes) speaking in a conference room from behind a podium]

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El Salvador

Calderon Sol Views U.S. Immigrant Deportation

PA0411040094 San Salvador Radio Maya Vision in Spanish 1800 GMT 3 Nov 94

[Report by Luis Orellana; from the "Notivision" newscast]

[FBIS Translated Text] President Armando Calderon Sol has said his administration has not abandoned the efforts it began a few days ago directed at extending the resident permits of Salvadorans living in the United States. The future of over 200,000 Salvadoran immigrants seems to be vanishing, and California Governor Pete Wilson has initiated an action that jeopardizes the interests of our compatriots and other illegal aliens. President Calderon Sol questioned Pete Wilson's position, accusing him of promoting a nationalist policy that affects the intentions of our compatriots in their search for better economic conditions.

[Begin Calderon Sol recording] We have strongly rejected Governor Pete Wilson's position in promoting a campaign of aggravated nationalism that would do away with public services for the minorities in California in such a way that it becomes an attack on human rights. If this does take form in the end, we believe the U.S. Supreme Court and the U.S. authorities will have to declare it null anyway, in response to a legal action filed before the Supreme Court, because it is an attack on human rights. The United States is a leader in liberty and human rights, so we do not believe that this action by Pete Wilson will be successful. [end recording]

The president said that it is not true that the land transfer program is running seriously behind schedule, particularly in the area of loans and credit allocation. UN Observers for El Salvador [Onusal] expressed its concern regarding the total halt in the process of granting loans. The president denied the organization's affirmations.

[Begin Calderon Sol recording] The loans have been granted according to the type of crops. The credit has been granted. In February, when the land must be prepared for sowing, there will be new loans. There are no loans for harvesting crops at this time. The money was awarded and delivered. There will be more loans for the new crops next year. [end recording]

Onusal has also requested more consistency in the investigations and the dismantlement of illegal armed political groups. They add that little has been done to find out more about these organizations. The Salvadoran leader said there is still investigative work to be done and added that they will not be satisfied until the investigations gets to the very bottom of the issue. Regarding a suggestion by Christian Democratic deputies to remove Prosecutor General Romeo Melara Granillo from his post, the government has said that only he is capable of take up all of that office's work. The prosecutor acted within the law when he fired the two assistant prosecutors for having aided the escape of eight drug traffickers. Nevertheless, he believes that an investigation must be carried out to find out where the system is faulty.

Santamaria: U.S. Politicizing Immigrant Issue

PA0411034894 San Salvador LA PRENSA GRAFICA in Spanish 3 Nov 94 p 24A

[FBIS Translated Text] Foreign Minister Oscar Santamaria stated yesterday that the legal processing of Salvadoran immigrants in the United States has not been properly presented by the U.S. leaders because it has been handled with the intention of obtaining political gains.

However, Santamaria explained that negotiations continue with all political sectors in Washington and direct talks have been held with high-ranking officials.

"They know that the situation is difficult and a repatriation of Salvadorans at a time when there are no conditions to facilitate their incorporation into the productive sector is quite complicated and difficult for the country. El Salvador is implementing a strengthening process... but it is not yet in shape to receive a large number of compatriots," he maintained.

From 1 million Salvadorans who arrived in the United States as refugees in the past decade, approximately 200,000 availed themselves of the Program of Deferred Forceful Deportation (DFD), which expires on 31 December.

The Salvadoran authorities are negotiating with the U.S. State Department, House of Representatives, and Senate to prevent Senator Pete Wilson's initiative—which promotes the implementation of "Proposition 187," as it is known—from bringing about the repatriation of approximately 200,000 Salvadorans.

"The consequences would not be at all positive for the country, he pointed out. It would lead to a very complicated and difficult situation because the country is not in shape to incorporate them, and this would imply a destabilization of the process we are conducting," he added.

Asked about an extension of the Onusal [UN Observers for El Salvador] mandate requested by UN Secretary General Butrus Butrus-Ghali since last September—and which Ghali committed himself to submit to the consideration of the UN Security Council—Santamaria said "we would expect that, in keeping with an eventual decision of the Security Council, Onusal will be able to stay until the last day of April 1995. Thus, the secretary general would be complying with what he promised us."

Onusal is expected to continue its verification work on compliance with the peace agreements, particularly in the area involving reforms of the judicial system—which is part of the last phase to be implemented.

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President on Haiti, Coffee, PNC Deficiencies

PA0411002294 San Salvador EL DIARIO DE HOY in Spanish 3 Nov 94 p 4

[Unattributed article]

[FBIS Translated Text] When asked if his administration is preparing to send troops to Haiti, President Armando Calderon Sol yesterday said his country is willing to provide "not exactly peacekeeping forces, but contingents of technicians to help rebuild that country."

The president, together with his wife and children, visited the General Cemetery at midday to pay tribute to Major Roberto D'Abuisson, leader of the Nationalist Republican Alliance. Arena, whose remains lie in a mausoleum on the eastern side of the Cemetery of Illustrious Individuals in the capital.

Before entering the cemetery, the journalists questioned the president on different topics, which he answered.

Regarding the alleged sending of technicians to Haiti, Calderon Sol asserted that his government has a valuable contingent of experienced people who may offer their help to Haiti's reconstruction.

"We have always said," the president stressed, "that we are willing to help in the reconstruction of friendly nations. We have people at the National Secretariat of Reconstruction, Conara [National Commission for Restoration of Areas], the FIS [Social Investment Fund], and other government institutions, who may serve institutions working to rebuild Haiti."

The president ruled out the sending of personnel "because that must be coordinated with the organizations involved."

Regarding the Tax on Coffee

Regarding the government's attempt to withhold taxes from coffee producers, Calderon Sol defended the government's position. He said this is not a burden, but "a payment on account." If it exceeds a specific amount, Calderon Sol noted, coffee producers will be refunded money.

In an attempt to defend the government's position, Calderon Sol argued that the planned tax is low if compared with those applied in other countries of the area. "El Salvador has one of the lowest taxes," he noted.

The president explained he has been meeting with coffee producers. He said he considers, as president of the Republic, that there is understanding from the producers. "We are reaching an understanding," he noted.

As for Politicians

Calderon Sol slashed out against the politicians who have profited from the problem of the release of a group of drug traffickers in Santa Tecla. Calderon Sol said "I respect politicians because they know their trade. They seek issues that are of interest to you, journalists, so that you can give them free time in your media to promote themselves."

The president highlighted he does not agree with the request to remove Prosecutor General Romeo Melara Granillo. "But in any case, the politicians have the right to speak and they must be heard. That is the game of democracy," Calderon Sol stated.

Other Issues

Regarding the PNC [Civilian National Police], Calderon Sol stated he is well aware of the deficiencies within the PNC. However, he stressed "it is a corps that will improve gradually."

He explained he does not know the details of the Onusal [UN Observer Mission in El Salvador] report on these deficiencies and the report on the 40 corrupt judges Onusal reported to the Supreme Court of Justice.

National Police Demobilizes Last 1,500 Agents

PA0411002194 San Salvador EL DIARIO DE HOY in Spanish 2 Nov 94 p 4

[FBIS Translated Text] The National Police has demobilized its last 1,500 agents to comply with the peace agreements. Meanwhile, the United Nations again urged the government to dismantle this organization and fully deploy the new National Civilian Police [PNC].

Colonel Samuel Dolores Cuellar, director of the National Police, the last police body remaining following the signing of the peace agreements, confirmed that in addition to the 1,500 demobilized agents, only 400 members of the Special Crime Unit remain, as well as some administrative and office employees and messengers.

Col. Cuellar added that the unit could be fully transferred to the PNC as a "special force," according to conversations with the Public Security deputy minister.

In addition, it was reported that as part of the agreements, each agent is granted an indemnification between 20,000 and 23,000 colones.

The Chapultepec Agreements dissolved the National Guard, the Treasury Police, and more recently the National Police. The PNC must replace the three bodies.

According to reports from New York, the United Nations yesterday gave the Salvadoran Government until 30 April to dismantle the National Police and deploy the PNC and make it fully operational. A report by UN Secretary General Butrus Butrus-Ghali indicated that "these public security objectives should be achieved" by then.

Butrus-Ghali Insists on the Recommendations

Moreover, the UN secretary general asserted that the recommendations by the Truth Commission must be

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implemented in El Salvador, pointing out that "El Salvador's political life is still adjusting itself to the rules of democracy, as stipulated in the Constitution, which was amended in compliance with the 1992 agreements."

He said: El Salvador has advanced as it strengthened the Judicial Branch, and the human rights situation has improved "noticeably," but "serious deficiencies are still obstructing the efforts made to stop impunity."

Butrus-Ghali underscored that "the institutional framework that guarantees the prevalence of the law and the respect for human rights will continue to be rather weak as long as there are no judicial reforms."

He also said that the transfer of land to former guerrillas has been seriously delayed and asked the government and the FMLN [Farabundo Marti National Liberation Front] to "abstain from revising and expanding the list of possible beneficiaries."

As for the former guerrillas' efforts to rejoin civilian life, Butrus-Ghali told the Security Council that the success of this phase is crucial to consolidate the peace process. However, he warned that the delays of the process "could trigger serious problems," as was the case in several neighboring countries.

Insufficient Funds

The UN official urged the international community to lay out the necessary funds to be able to expedite pending agreements. He pointed out that the Salvadoran Government and the FMLN vouched to expedite their contributions to conclude the remaining agreements and announced that a delegation formed by representatives of the two parties is getting ready to go to donating countries to collect the necessary funds.

"The Salvadoran peace process promises to be noticeably successful once it is given the right atmosphere. However, the UN secretary general assessed that certain key agreements have yet to be fully complied with."

Butrus-Ghali maintained that should the UN term be extended, he will tell the Security Council how the United Nations could continue to verify the compliance with the agreements.

Nicaragua

Minister on U.S. Travel Advisories, Miami Summit

PA0311145994 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 2 Nov 94

[Report by Nidia Ruiz; from the "National Newscast"]

[FBIS Translated Text] Tourism will be among the issues discussed by the presidents of the hemisphere at the Summit of the Americas scheduled to be held in Miami in December. The hemisphere's tourism ministers have already held a preparatory meeting. Security was among the issues raised at the session.

The ministers are demanding that industrialized countries stop obstructing the tourist travel to nations such as Nicaragua. The United States is among those countries creating obstacles by way of travel advisories. The State Department advises tourists to exercise caution because certain countries are dangerous. In Latin America some 10 countries, including Nicaragua, are affected by such advisories. The document dealing with Nicaragua dates back to the war. According to Tourism Minister Fernando Guzman, this issue has been raised with U.S. representatives who admitted that the advisory has caused damage.

[Begin Guzman recording] Obviously, we cannot expect them to withdraw the advisory just because we ask them to do so. We can, however, ensure that they are more careful in the future—above all, that they discuss advisories of this sort with us before issuing them. Many things said in the advisory on Nicaragua are no longer valid. They perhaps were valid at some time in the past, but they are no longer valid. [end recording]

Other issues discussed at the meeting were sustainable tourism that respects national cultural heritage and the need to strengthen international financing and cooperation to develop an adequate tourism infrastructure.

'De Facto' BARRICADA Director Admits Error

PA0411032994 Managua BARRICADA in Spanish 3 Nov 94 p 8

[From the "Writer's Column" by Sylvia Torres]

[FBIS Translated Text] In his second day as BARRICADA's *de facto* [italics as published] director, Commander Tomas Borge Martinez did what was expected of him. He published on a whole page an interview signed by someone other than the one who conducted it.

Never, in the history of this daily—despite all the pressures we felt during the past decade from the FSLN [Sandinist National Liberation Front] groups in power who wanted to take over the daily—were we forced to write under restrictions, as was the case yesterday with Tomas' interview.

We all know, as Commander Borge knows, that the interview that was published on BARRICADA's page four was not conducted by the individuals who signed it.

The commander knows he asked other reporters to sign it. He knows he said that a Mexican had written it and that he wanted someone local to sign it. Yesterday, Lumberto Campbell, the daily's director, acknowledged that the colleague who signed the work received a prewritten text which "he arranged in his style."

If this is the professionalism touted in the same interview, and if that is "modern journalism and respect for the men and women of the press," he is mistaken.

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Previously, he had stated that there was no intention of censure in the first edition. We have the original text in his own handwriting with the title that had been prepared by the "democratic left" group he leads.

If this continues, soon we will see the pages full of self praises for those who took over BARRICADA. This is a clear reversal in official journalism. It is a return to that famous rule that forces the daily to grant a certain amount of space and protocol treatment to the leadership's texts and titles.

On the other hand, it is true that the attack on the freedom of expression abounds in many other media, and it is true that there have been many quite unjust dismissals in this sector. The fact that our colleagues have not claimed their rights and that the sector has not spoken out does not force us now to remain silent.

There is an attempt to disqualify our protest just because other colleagues accepted the humiliations in silence and no one knew about these. The truth of the matter is that it is time to unite for our own professional dignity. Whoever, due to resentment or envy, does not want to join us will miss out. The sector's die is cast.

Note from Commander Borge:

"I made a mistake, I accept it. My intention was in good faith. The original text of the interview—I did not interview myself—was written by a Mexican reporter. It was recommended that a Nicaraguan rewrite it and that was done. The quality of the original interview was changed by an efficient reporter. This is the truth. Nevertheless, I believe I have learned a lesson and I acknowledge this."

Urges Patience, Promises Progress

PA0411042994 Managua BARRICADA in Spanish 3 Nov 94 p 1

[Statement by Sandinist National Liberation Front, FSLN, Commander Tomas Borge, newly appointed chairman of BARRICADA's Board of Directors and Editorial Council, issued in Managua; date not given]

[FBIS Translated Text] We have noted several people's concern for BARRICADA's fate. We are also aware of the tremendous apprehension felt by those who suspect our newspaper's imminent and unstoppable doom.

To the first, such as the prestiged Gorostiaga [Jesuit priest who is a Central American University professor], we ask for a dose of patience to await the fruits of the tender seed.

To the others, fully understanding their anguish, we tell them: BARRICADA has already increased its circulation.

However, this is only the beginning. We will be the most organized, attractive, influential, and read newspaper in the country.

We promise this, even if it kills us.

Tomas Borge

Journalists Negotiating Resignations

PA0411034694 Managua BARRICADA in Spanish 1 Nov 94 pp 1, 8

[FBIS Translated Text] Sixteen journalists are negotiating their resignations with BARRICADA's new Board of Directors chairman, Commander Tomas Borge Martinez. They are calling for the payment of bonuses earned for years of service, for professional risks, overtime work, vacations, and holidays.

This was proposed to Borge by Sofia Montenegro, Mildred Largaespada, Silvia Torres, Roberto Larios, Ruth Largaespada, Onofre Guevara, Vilma Areas, Daniel Flakoll Alegria, Arquimedes Gonzalez, Brenda Trejos Ubau, Darwin Juarez, Freddy Potoy, Jorge Katin, Juan Jose Lacayo, Dolores Rugama, and Oliver Bodan.

Eight of the journalists work in the newspaper's editorial section. The others are reporters.

Through a "gentlemen's agreement," Borge committed himself to paying indemnities and bonuses to the journalists but urged them "not to resign because the Sandinist Assembly does not want that."

Borge said that they "should take some time to think about what they should do" because "we have to discuss the newspaper's new policy with all the journalists so that it may continue functioning."

In explaining his resignation with an allusion to the daily's new bent, Bayardo Arce Castano said: "This is not like just taking a cassette out of my head and putting in a new one." The editors and reporters raised similar arguments.

Yesterday, temporary Director Lumberto Campbell spoke of "administrative transfers" in moving Sofia Montenegro from her post as director of the magazine GENTE.

Montenegro said that at 1600, Campbell verbally told her, without explaining why, that she is not going to remain at the head of GENTE. "I presume it is for political reasons, because of an article I published last week," Montenegro said.

Campbell said he will send her a note to officially place her in another position. Montenegro believes her removal represents "an indirect and unacceptable dismissal."

She said she is the founder of the magazine: "GENTE is a creation of mine. I have been a reporter, editor, head of the international section, and member of the editorial council, and this is like having stopped being the housewife to be turned into the housemaid."

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Other employees from the Editor's Office who have asked for a bargained departure from BARRICADA are Mireya Rivera, responsible of the administrative section of the office, and Carmen Bolanos and Claudia Parrales, secretaries.

Paper's Founder on Reshuffling

PA0311183594 Managua BARRICADA in Spanish 1 Nov 94 pp 1, 8

[Article by Bayardo Arce Castano, former chairman of the BARRICADA Editorial Council: "Period, New Sentence at BARRICADA."]

[FBIS Translated Text] The new representatives of the BARRICADA owners, a group to which I once belonged, have decided to give a new slant to its news and editorial policy in a qualitative manner.

Because I have not been involved in doing such work at any other newspaper, I do not feel qualified to continue at the helm of the Board of Directors at "El Amanecer" Publishing House and the BARRICADA Editorial Council. For this reason I am turning over the chairmanship of these boards to Commander Tomas Borge Martinez, whom I recommended for the job.

I am aware that events which took place at BARRICADA during my trip to Spain have raised inevitable questions about my position, and I propose to dispel them:

1. I did not agree and do not agree with Carlos Fernando Chamorro's dismissal as BARRICADA editor, just as I cannot go along with some incidents that preceded and accompanied his departure.

We had frank discussions in the Editorial Council on the differences of opinion I sometimes had with him. That is why I also regret that this situation prompted the resignations of comrades Alejandro Martinez Cuenca, Rodrigo Reyes, and Emilio Baltodano, as well as that of Roberto Fonseca, who also resigned as deputy editor. These are the resignations linked to Chamorro's departure that have been tendered.

2. I cannot, however, turn my disagreement into a criticism of the will of those who represent the owners, much less distort the situation to deny them their rights. Any owner has the right to choose the person who will administer his property.

Moreover, I cannot take my disagreement to the point of betting on, much less wishing for, the failure of BARRICADA's journalistic effort in the new phase that is now under way. On the contrary, I must wish them success and try to contribute to the newspaper as a reader and future contributor to its editorial page.

3. It fell upon me to found BARRICADA in July 1979. In its early days, Comrades Julio Lopez Campos, Leonel Espinoza, Luis Guzman, and Carlos Carrion headed the newspaper until Carlos Fernando Chamorro came from the deputy culture minister's office to accompany us in this work.

The journalists basically came from Pedro Joaquin Chamorro's LA PRENSA newspaper, which the Somozist Guard had destroyed. When the Chamorro family published LA PRENSA again, with the support of the revolution, we moved on with a new generation of journalists, especially those being trained by the School of Journalism.

Their profession development was one of his merits as BARRICADA editor during the various phases—from official mouthpiece of the FSLN [Sandinist National Liberation Front] to a newspaper company—in which we worked together.

4. Recognizing Chamorro's contributions to this project and disagreeing with his departure is not the same as considering that without him the only thing possible is failure of a step backward. I do not believe in the strength of an institution if its fate is vitally linked to one person. Nor is it just to belittle the efforts of men who consolidate an institution, because, if others predict that without them the institution will fall, it means the institution was not built on a strong foundation.

The institutional nature of BARRICADA can be found in the managers, journalists, general employees, vendors, advertisers, and readers of the daily who now, as of yesterday, must uphold their relations with this news media if we truly want to continue serving the national interest and the Nicaraguan people as a whole.

5. It is not true Tomas Borge is a BARRICADA shareholder. The company belongs to the FSLN through legally constituted business practices, and that is how I hand over the chairmanship of this company.

Certainly, I encouraged the proposal of expanding the newspaper ownership to include domestic and foreign shareholders as a way of adjusting it to the demands of the process of economic globalization that the modern world of companies is going through, as well as to cope with the effects of the economic recession that is hurting BARRICADA, just as it is hurting all companies in Nicaragua. If approved, it would take some time to turn this idea into a full- scale project, let alone implement it.

6. That does not mean the company is broke, as some of BARRICADA's competitors are portraying. Its positive financial balance will allow it to wage current and future battles, although it has experienced some losses lately, and, admittedly, the market has declined because the people cannot even afford to buy a liter of milk for their children. The country's economic crisis will have to change at some point. That is the reason we need to be prepared.

7. The only thing left for me to do is wish success to BARRICADA in its new phase. I trust in the wisdom of the men and women who manage, guide, and prepare the

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newspaper every day. Let advertisers, vendors, and readers judge this project for its work and quality, and let them do this without prejudice.

I will provide any cooperation I can, because I would not act as a revolutionary, a professional, or even a sane person if I were to turn my back on a project to which I was linked for more than 15 years simply because I am no longer directly involved in it.

Henry Ruiz on Conditions for FSLN Unity

95CA0006A Managua EL NUEVO DIARIO in Spanish 21 Sep 94 p C1

[Interview with Sandinist National Liberation Front, FSLN, leader Henry Ruiz by Francisco X. Chamorro G.; place and date not given]

[FBIS Translated Text] As has happened to the majority of Nicaragua's political parties, the Sandinist Front is now running the risk of breaking apart, in the opinion of Henry Ruiz, who discussed the possibility that in his party there may be parallel organizational structures for the two factions into which the FSLN [Sandinist National Liberation Front] has practically divided. During a lengthy interview with EL NUEVO DIARIO, the legendary "Modesto" analyzed, from his point of view, the crisis Sandinism is now experiencing and possible options for resolving the conflict.

After spending a long time outside his party's political factions, about two weeks ago Ruiz publicly announced his support for the Sandinist Renovation Movement, not because he favors a specific leadership or individuals, but rather because "I feel it is essential...; here is what is excellent and good, here are the things we have been looking for."

In the opinion of this member of the National Directorate, in order to once again restore unity among Sandinists there must first be agreement about reforming the Constitution, to include the principle of non-reelection and to prohibit nepotism.

By going back to the principle of non-reelection and taking a stand against nepotism, Ruiz is convinced that Daniel Ortega and Antonio Lacayo would both be eliminated. The only one who might still be eligible for reelection would be Dr. Sergio Ramirez, the principal advocate of Sandinism's renovation movement. However, in the view of this Sandinist leader, "I believe Sergio has sufficient patriotic, revolutionary, and Sandinist spirit to say: 'I will not play a part in this either, and we are all going to fight to win in 1996.'"

Excerpts from the interview with Comandante Henry Ruiz follow.

[Chamorro] Of the possible scenarios in the FSLN crisis, which do you think is most likely? Are there DN [National Directorate] members, like Victor Tirado, who are calling for a pact like the one in 1979?

[Ruiz] I perceive that some comrades in the party leadership have political aspirations in which the goals that can unite us all have been confused with the specific aim of political stardom, or personal ambitions.

Controlling the party means controlling the possibility of being president of Nicaragua, as this is a party which can win the presidency. It is not a tiny party that runs to get a small share or two deputies. It is a party strong enough to seek power.

I believe we can reach unity through the following principle: First, we must truly reform the Constitution so that reelection will be something that is over and done with, at least for this generation, and for two or three generations to come. Absolutely no reelection. Secondly, we have to agree that nepotism, as the seed of dynasties, must be eliminated for the good of the people and for the good of the nation. If those things are done, we will be ready for 1996.

But it could be said that that will eliminate Daniel Ortega; well, so Daniel Ortega is eliminated, Tono Lacayo is also being eliminated. But the question is: will Sergio Ramirez be left free [from this prohibition]? I believe that Comrade Sergio Ramirez has sufficient patriotic, revolutionary, and Sandinist spirit to say: "I will not play a part in this either, and we are all going to fight to win in 1996," but in other conditions, in which the internal power struggle is not the main focus but instead the search for solutions is.

And if that happens—no reelection, no dynastic succession, Sandinist unity—if that line is established, I believe we will be ready to work on any ordered solution. I would go even further: we should give up in advance those presidential candidacy ambitions.

[Chamorro] Do you think the Sandinist Front will have to suffer another election defeat to be able to renew itself thoroughly?

[Ruiz] No. I think that if the Sandinist Front receives another defeat that is not expected because of its size, Sandinism is going to be broken apart and, unfortunately, it will suffer the same fate as other parties, the liberal party at one time, the conservatives at another, and Sandinism later. We Nicaraguans hope the future holds something better in store for us.

This is an asset that we cannot allow ourselves the luxury of losing for any passion. With some basic changes, Sandinism has great potential for 1996.

[Chamorro] But the situation seems to be going in the opposite direction from what you are talking about.

[Ruiz] People say that crises are not programmable. But I believe crises can be seen coming, and their solutions are known.

I think that the comrades who are at the forefront of the party's dominant structures (most of all) have to realize that what they are doing is a serious political problem

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that we have also helped to create; and a solution must be found. I believe that in the DN we have about six comrades who want the leadership format to be changed.

I have heard comments from comrades who say they understand why we feel uncomfortable when we come here and an unequal balance of power has been created. We know we are coming to receive orders and that is why we do not come.

It is odd that they have done this. They should realize they have been operating like a steamroller; they think discussing means only talking, spending four or five hours and then not changing a decision. That is supposed to be control, that is considered majority rule, and that is democracy. They are deluding themselves. The voters (in the internal party elections) will know that part of Sandinism opposes reelection and is in favor of restrictions [on candidacies].

In my opinion, the crisis provides the seeds of its solution. And so I am appealing that we not make any more mistakes or engage in rash actions. To give Congress the credit of removing Sergio Ramirez from the DN is no honor for a party that is supposed to be modern and democratic, which accepts tolerance.

Comrade Daniel has to be the first to realize that a strongly divisive crisis has been created, with himself as its leader. I believe that if he comes to understand that, then he will have us with him to help find a solution (for the crisis).

That talk of setting up a separate shop, that is no more than an idea...it is a very relative concept. Who were the ones who left to set up a separate shop? If you move my house, afterwards people say that I am the one who left to go outside.

This is a fairly strange idea. Is it an accusation to encourage us to leave? But the Front is ours...I have things of value in the Front, historic assets, matters of value, years of self-sacrifice and commitment. I am not going to lose all that, those 30 and some years to which Victor Tirado refers, they are ours, and they also belong to the people. Those of us who belong to the people as we do must defend these values. This is not something I won in a roulette game called Congress. That is not the way it is.

[Chamorro] Still, the Democratic Left sector has been raising the stakes, as the saying goes. Do you think that what you said earlier is feasible?

[Ruiz] I am looking at the best option, but we have to recognize that there is a worst option, which is an uncontrolled break, recommending separations, without knowing where people are going. It might happen here that a break could cause disillusionment in the grassroots of Sandinism. They say that in the grassroots of the party there is no division; that is true. What there is instead is eagerness. People in the grassroots do understand what is going on. They say, you should work things out in the leadership, for down here there are disputes, people are leaving, and not joining the party. We are breaking apart the grassroots of Sandinism.

I say that the best asset Sandinism has is unity. What are the foundations for the unity of Sandinism? Let us recover our Sandinism which was anti-dictatorship, anti-dynasty, and anti-reelection.

[Chamorro] What real possibilities do you see for the constitutional reforms to be approved?

[Ruiz] I think there must be constitutional reforms. Sandinism will gain in credibility if the article on military service is changed that is still in force—because it has only been suspended. That has to be eliminated. If Sandinism wants to have the trust of the people, that factor which creates distrust among the people must be removed from our legal structures.

I see nepotism and dynastic succession as a real danger (now that there is talk of the possible reelection of Violeta [Chamorro].... But let us say that that is the will of the people and she is once again reelected president, then you will have the minister of the presidency exercising power and making decisions for two terms. People do not want you to say that, but it is the reality in this country.

Violeta Chamorro is a very important symbol and political factor. She has been enormously useful, but in specific conditions that were very sensitive for the nation, and that we hope we are not going to repeat. I think that in addition to attacking dynastic succession, we also have to attack nepotism. This government is extremely nepotic. We had comrades from the same family, but they came to power for other reasons, for their combat service, their work in the struggle, in the people's war.

The tendency to organize power in family terms is in our national interest, it is in the interest of the people. We must not carry the reforms so far that we replace the ultrapresidentialism that exists now for a parliamentary state, because that is not right for this country. In a spirit of political realism, politicians must realize that what is involved in modernization is giving a better proportion, a better configuration to the essential parts of the state.

People will support the reforms, for when they are told that the government is not going to be able to impose taxes by itself, but that the assembly will have to authorize them, that will please the people.

[Chamorro] But there are still politicians who think: "If we win, we are going to have a weakened executive power."

[Ruiz] That is political backwardness. If we win we have to govern with law, not with arbitrary decisions and political whims as we did before. We did so without a reference point, and we also invented a slogan: "The revolution is the source of law," (but also) of arbitrary

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actions. What we are going to have now is law which judges us all, and which says that Nicaraguans are equal before the law.

I think Sandinism must try to improve laws and not try to govern with pacts and improvisation. That damages the idea of Sandinism, making us perpetrators of arbitrary actions and not creators of law.

[Chamorro] The "credibility gap" in the Sandinist Front is extending to the entire Nicaraguan political class. How do you think credibility could be recovered, especially in a population that sees the same faces in the political leadership of the parties?

[Ruiz] I think the people's lack of political trust is caused by recent political actions. What gives me that impression is that we have not found a way to restore enthusiasm to people, which I think means converting them into active participants in actions that the country needs.

It is partly correct to say, for example, that for the population at large, in the enormous political market, people are not interested in constitutional reforms, and what they are interested in is the economy. In fact, what the enormous masses of the people are asking for is work, jobs, survival. That is true, that is the top priority, but people also talk about not going back to military service as a threat; that means that issue is touching on something that needs a solution.

That gives me the impression that a solution can only be found through laws, not just through pats on the back and handshakes. People are also asking for other things, some of which are immediate and others are more distant on the horizon, but they can be dealt with together. If there is a political program that combines these factors, I am sure that will attract the people's attention.

[Chamorro] And what about the same faces?

[Ruiz] On the issue of the same faces, I think Nicaragua is in the process of creating new leaders. You see the number of parties. Where have so many representatives of so many parties come from...? Of course, the parties have split and it would seem that the FSLN itself is going to share that fate and action.

Leadership is being created but there should be no dichotomy between modernization and what is old. For example, I, who identify with the renovation process, do so because I believe that is a necessity, not because I favor a specific leadership or specific individuals. I think that here is what is excellent and good, here are the things we have been looking for, and I also want to promote those things which the great Sandinist masses are seeking.

We may run the risk that because of criticizing the phenomenon of rule by political bosses in the history of Nicaragua we may ourselves be changing our boss. But I am not so innocent as not to say that men and women, individual persons, do play a decisive role as creators of those political elements....

Nevertheless, I believe it is not correct to say that renovation is the same as replacement. I think that men and women must be empowered to promote ideas that are needed, and I would say that the most profound weakness I see in our comrades in their desire for change is lack of organization. There is a lot of discussion and information, but little organization. That requires simpler, more straightforward work, but it is essential, for I cannot imagine a movement without organization.

Anything else is chaos or rather an intellectual exercise that would be foolhardy and irresponsible on our part, a test of Sandinism that is under stress and on the verge of division. That is a strong and real political fact.

[Chamorro] But would that not create parallel structures? That would have to happen since the formal structures are closed for that faction.

[Ruiz] If we talk of two ideas that the organization requires so it will have reality and a chance of surviving, that implies parallel structures, but I wonder if Sandinism as a whole, that is the other expression of Sandinism, the Democratic Left, is not suffering from a new type of organization.

With those present forms there is a primitive form of organization.... Imagine, now the Democratic Left faction is citing registration as a political success of the Congress, and that is not true. The Congress closed (the party), and it was an intense and extensive interpretation of the needs in opening the party which produced this result. This is a victory of the new concept of the party and of these new forms of organization.

For example, with Sandinism characterized as a vertical party with a party-state orthodoxy, the principle of organic autonomy is not new; now we see that was not only correct, but necessary as well, as the experience of UNAG [National Union of Farmers and Cattlemen] and of the Community Movement shows.

But there is an old line of thought that would like to have the unions bound by the party's political decisions. That does not work. That was from the old school. That old school has to be abandoned, and this party must be transformed based on these realities. The encounter with the new and the search for these solutions are not always ideal. I think there have been quarrels here but in order to find new forms of organization.

[Chamorro] I understand you are working with a group of comrades on an economic and social document. What does that project consist of?

[Ruiz] In this document we say that the weight of the economy must rest on agriculture; small and midsized production have to be in the lead. First, we demonstrate (in the document) that jobs and resources do not require

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a large-scale operation to be generated if they are run effectively. We show that the present rate of employment can be doubled, and we also list the most dynamic sectors in terms of generating jobs.

Second, production may move from the ridiculous level where it now stands to more than $1 billion if emphasis is placed where it should be. Third, although we do not quantify the resources that should be devoted to the production of services, education, and health care, we do make a proposal: at least the present ratio between the gross domestic product and budget spending should be kept as a constant, and not be decreased.

Panama

Lawmaker: No Extension of Cuban Rafters' Stay

PA0311170494 Panama City EL SIGLO in Spanish 3 Nov 94 p 8

[Report by Aneldo Arosemena]

[FBIS Translated Text] Oyden Ortega Duran, chairman of the Foreign Affairs Commission of the Legislative Assembly, announced that the agreement signed by Panama and the United States to give refuge to Cubans will not be extended. It will be two months on 5 November since the first group of the 10,000 Cuban rafters arrived in Panama. The six-month deadline expires in March 1995.

The legal status of these Cubans is not refugee but "economic immigrants," and once the agreement deadline expires, the Cubans must either return to Cuba or be taken to the United States, because there will be no extension.

The agreement signed by President Ernesto Perez Balladares and U.S. President Bill Clinton says Panama is committed to receiving as many as 10,000 Cuban rafters with the condition that the costs for their stay, supervision, and food will be handled by the U.S. Government and that the Cubans will be here for no more than sixth months, at the end of which they should be issued visas to travel to the United States.

So far, "Operation Safe Haven" and the maintenance of the four camps in the "Empire Range" have cost about $6 million. The U.S. Southern Command estimates the cost of keeping these camps up and running in terms of millions of dollars each month.

The presence of the Cubans has led to problems, protests, and clashes between the Cubans and the U.S. authorities guarding them, because no Cubans have been granted visas to travel to the United States. Their frustration has prompted escape attempts, the latest of which occurred this past weekend when 20 Cubans escaped from Camp No. 3 only to be recaptured following a search operation.

Security Agencies Probed for Colombian Rebels Ties

PA0411040694 Panama City EL SIGLO in Spanish 3 Nov 94 p 10

[Report by David Daniel Victoria]

[FBIS Translated Text] Jerry Wilson, institutional director of public security affairs, yesterday disclosed that authorities have launched an investigation into security agencies for their alleged involvement in gun-running activities.

According to Wilson, the Attorney General's Office has begun the investigations on the alleged participation of private security agencies in gun-running activities.

A few weeks ago, the police and the National Maritime Service raided 10 ships and a shipping agency in search of a shipment of weapons destined for the Colombian guerrillas.

Investigation authorities have reported it is presumed two national gangs are involved in the trafficking of weapons to the Revolutionary Armed Forces of Colombia and the Army of National Liberation (ELN).

Colombian Vice President Humberto De La Calle Lombana, during a visit he made to our country last month, reported Panama was a transshipment point for weapons and chemical precursors destined for the guerrillas and the drug cartels.

The institutional director of public security affairs also said a probe of 96 security agencies will be made to determine if they are using weapons without the permits required by law.

Wilson remarked that Government and Justice Minister Raul Montenegro has ordered the probe of the security agencies to verify if they are complying with the requirements established by the law.

He stressed that the government and justice minister is interested in knowing if these agencies have their weapons permits in order. Wilson explained these agencies will be searched and not raided, because only judicial authorities can order raids.

According to figures from the Government and Justice Ministry, 93 security agencies operate in the capital, four in Chiriqui and Colon Provinces, while there are two in the provinces of Bocas del Toro and Herrera.

There is one security agency operating in La Chorrera District, while in the provinces of Cocle and Veraguas there are two branches of security agencies headquartered in the capital.

During the past administration, the number of security agencies grew uncontrollably in light of the lack of vigilance in the different commercial establishments and the increase in robberies.

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In addition the permit to operate these agencies was granted without knowing the personnel that was going to work there. Moreover, authorities did not verify whether the new agencies met the legislative requirements for their operation.

A large number of security agents have lost their lives, sometimes due to lack of training, or have become victims of criminals after being caught by surprise. Others have been involved in incidents of violence, after firing on innocent people.

Legislator Denies Ultimatum to President

PA0411033094 Panama City LA PRENSA in Spanish 3 Nov 94 p 4

[Report by Ibeth Vega]

[FBIS Translated Text] Carlos Afu, legislator of the Labor Party (Pala), yesterday denied statements by Alejandro Vernaza, deputy secretary of that political party, that he sent an alleged "ultimatum" to President Ernesto Perez Balladares, because that party no longer exists.

LA PRENSA learned that hundreds of Pala members are registering in the PRD [Democratic Revolutionary Party] to secure a government job, because the relationship between the PRD, Pala, and Libre [Liberal Republican Party], which made up the United People Alliance that propelled Perez Balladares to power, is not at its best.

Certain Pala leaders have criticized the PRD for failing to comply with political commitments acquired during the recent political campaign, but PRD members note that Pala also failed to deliver at least 80,000 votes in the elections. Pala managed to win only 40,000 throughout the country.

Afu pointed out that the Pala no longer exists as a political party, because it failed to garner the necessary votes in the 8 May elections to survive as such, and thus, "it can hardly send ultimatums" to the president.

"As the sole Pala candidate elected as legislator, for Circuit 7- 1, I have not been invited to any meeting or talks to discuss the issues addressed in the alleged ultimatum, and I understand that many other paryy leaders were not consulted about this either," Afu added.

The legislator pointed out that no one can speak on behalf of the party when its members have not been consulted. He added that those who commented in the newspaper article without knowing the facts "acted rashly."

According to an article published in a local paper, the Pala issued an ultimatum to Perez Balladares to demand that he honor his word and commitments to this party during the elections.

It was based on statements by the Pala deputy secretary who said that the message conveyed by the government through decisions made in the past few days is a matter of great concern.

LA PRENSA learned that hundreds of Pala members are registering in the PRD to obtain a government job.

Afu confirmed this and urged all 40,000 Pala members to register in the PRD to further consolidate the political power of this party.

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Argentina

Brazil's Cardoso Continues Visit, Discusses Ties

Meets With Di Tella, Views Economy

PY0311175794 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0021 GMT 3 Nov 94

[FBIS Translated Text] Buenos Aires, 3 Nov (NA)—Brazilian President-elect Fernando Henrique Cardoso stressed today that "the market does not resolve all the problems of a country," and he said that Mercosur [Common Market of the South] "will strengthen relations" between Brazil and Argentina.

Cardoso spoke today at the meeting of the Argentine Council of International Relations (CARI), which gave him a diploma naming him an honorary member.

In a lengthy talk to the diplomatic representatives accredited to the country, Cardoso stated "the market does not resolve all the problems" in a country like Brazil.

Flanked by Foreign Minister Guido Di Tella, Argentine Ambassador to Brazil Alieto Guadagni, and the president of CARI, Carlos Muniz, Cardoso called for a state that has "very active and very direct public action." He added that the theories of "neoliberalism and neocapitalism do not function without direct action by the state," although he made it clear that this does not mean that the state "must replace the market."

Cardoso said that economic investment "must be conceived with the largest scope possible," and he repeatedly lauded the "integration process that will come through Mercosur."

He stated that Chile must become a member of Mercosur, and he said that "above and beyond formal relations there is the feeling of a destiny of mutual convergence between Brazil and Argentina."

He acknowledged that "there can be differences" between countries, differences that he considered "to be logical within the framework of international relations," but he made it clear that his government "will continue to consider Buenos Aires as a good neighbor and friend."

Cardoso indicated that he does not consider himself a "charismatic leader," and he promised that he will not govern Brazil "with demagogy," although he admitted that "some times it must be used very slightly."

He said that his election victory was due to "the vote of the poor people, who observed that their currency, the real, was much stronger than the dollar."

The president-elect stated that his victory was also due to the fact "that we did not deceive anyone, and we clearly stated what we were going to do," and he promised that during his government there will be no "secrets nor deceit" nor "unforeseen decrees that suddenly change the living conditions of the people."

"Everything will be done within democratic norms with the consensus of the people and of all echelons of society," Cardoso added.

He warned that a country that does not develop scientific and technical research "will not be able to make its economy serve the interests of the people."

Discusses Real Plan

PY0311202294 Buenos Aires TELAM in Spanish 0100 GMT 3 Nov 94

[FBIS Translated Text] Buenos Aires, 2 Nov (TELAM)—Brazilian President-elect Fernando Henrique Cardoso acknowledged tonight that Argentina outstripped his country in the implementation of the Convertibility Plan that led to economic stability.

Cardoso indicated that he intends to promote the reform of the Brazilian constitution as soon as he takes over as president in order to push structural changes within the state.

He admitted that the implementation of the Real Plan, which he created, provoked "a strong impact" in Brazil because "it cost us to acknowledge that inflation was a barrier against our development."

"We continued to grow with inflation, people got rich, but that wealth remained in the hands of a few people, and the number of poor increased," he explained.

During an address to the Argentine Council for International Relations (CARI), the president-elect indicated that the economic change came to his country "because society was convinced" that the real "opened the way for stability."

"Fortunately Argentines and Brazilians have now acknowledged, after decades of a lack of confidence, that we are similar, that we have similar expectations and ways of life, and we also have the same objectives," he said.

Cardoso stated that if the fight against inflation is undertaken "with conviction and courage" then poverty will be reduced "without provoking divisions within society."

Without detriment to the reforms that he plans to carry out, Cardoso highlighted the importance of the state as the referee in economic situations. "But, the economic sectors must compete and have to survive through their own efforts and not with the help that state tutelage can provide," he warned.

He finally opined that Mercosur [Common Market of the South] "is a fundamental pivot" that will allow the region's countries "to gain clout in international economic discussions."

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Opposes Postponement of Mercosur

PY0411005094 Buenos Aires TELAM in Spanish 1823 GMT 3 Nov 94

[FBIS Translated Text] Buenos Aires, 3 Nov (TELAM)--On 3 November, Brazilian President-elect Fernando Henrique Cardoso confirmed his opposition to a possible deferral of Mercosur's [Common Market of the South] implementation, which is slated for 1 January 1995.

Cardoso asserted that Economy Minister Domingo Cavallo had not proposed such a postponement.

"Minister Cavallo did not propose anything along those lines. What he said had nothing to do whatsoever with that proposal; it was just an exchange of ideas, an informal meeting in light of the fact that my visit to Argentina is not official," he said.

The president-elect held a meeting with Brazilian and Argentine businessmen at a Buenos Aires hotel this morning.

Having made it clear that the discussion of this issue was "friendly and open," Cardoso said that "I share Minister Cavallo's concern about the integration process."

He stated that Cavallo's interest "is centered on specific rights," adding that "this is under negotiation."

Cardoso, who steamrolled his opponents in last month's elections in Brazil, underscored Mercosur's need to trade as a bloc, as a customs union, rather than as a group of countries related among themselves because of their partnership within a free trade zone, but which maintain their tariffs with regard to third parties' goods.

In his address to some 100 entrepreneurs, Cardoso said that "today's economies are not autarchic but rather interdependent."

He therefore asserted that "it is important to devise mechanisms for a greater integration with Chile and Bolivia, because it is absolutely vital that countries that are not directly linked to Mercosur be incorporated, too."

Cardoso had said yesterday that he was in favor of the establishment of a free trade zone with the other countries of the hemisphere, but by means of their integration with Argentina, Paraguay, Uruguay, [and Brazil] into the Mercosur.

The Brazilian president-elect insisted on the idea that "the future world is a world where integration will be the buzzword and this is something that cannot be disregarded." "I am going to extensively promote new forms of economic integration," he further stated.

Although he deemed that "negotiations with NAFTA and the EU should be widened," he made it clear that they "will be very difficult if the issue of subsidies is not settled" beforehand.

Cardoso was optimistic about the integration between Brazil and Argentina. "The integration of both economies is an absolute essential. Brazil is getting ready for that," he said.

He went on to say that "Brazil will have problems in what pertains to capital goods and informatics, whereas Argentina will find difficulties regarding textiles. Still, we must negotiate and overcome these difficulties in order to achieve greater integration in time."

Cardoso also voiced optimism that "the integration will be beneficial for the four Mercosur member countries. This is why one has to respect their interests and take their different realities into account."

He moreover expressed the belief that member countries' "governments are willing to adjust whatever is necessary so that the process will be beneficial" for their countries, adding that the integration process entails "a major effort" to modify systems that are not compatible.

Brazilian businessmen belonging to the "Brazil Group" said they were optimistic about the prospects for 1995 because of the fact that a new administration will take office and the Mercosur will become effective as of next year.

One of the members of the group, surnamed Madruga Duarte [not furthered identified], voiced his colleagues' opinion.

"We businessmen are opposed to any postponement of Mercosur. The timetable must be strictly abided by," he pointed out.

Grants News Conference

PY0411020794 Sao Paulo Rede Bandeirantes Television in Portuguese 2110 GMT 3 Nov 94

[FBIS Translated Text] Among the reforms he plans to implement during his period in office, President-elect Fernando Henrique Cardoso believes the most complicated one will definitively be the fiscal reform. He has already pointed out that Brazil will have to take into consideration the fiscal systems in force in the countries that comprise Mercosur [Common Market of the South].

The president-elect today granted in Buenos Aires a news conference that was broadcast live and exclusively by the Bandeirantes Radio and Television Network. Cardoso said that he is aware of how difficult it will be to unify customs fees among the Mercosur member countries, and that in contacts he is having in Argentina, as well as those he will have in Uruguay and Paraguay, he has been doing his best to make it possible to reach the trade agreement that will reduce to zero, beginning 1 January, almost all customs fees in the four Mercosur countries .

[Begin Cardoso recording] If we want to unify our customs fees, we will have to reciprocally comply with the rules established by our different customs. This

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means that we must have very clear bureaucratic definitions and ensure that the rules are actually being complied with.

As to the fiscal reform, it is natural for a country that is going through an integration process, and willing to implement a fiscal reform, to take into consideration the fiscal mechanisms of the other countries. It is therefore convenient for those who will be responsible for the fiscal reform to look around and learn about the fiscal systems in force in the other Mercosur countries. [end recording]

Cardoso also mentioned the investments Brazil must make to better approach the neighboring countries that are also members of the Mercosur:

[Begin Cardoso recording] The importance of physical links with the other countries must be considered. This is very important for Rio Grande do Sul, as well as for Parana, Santa Catarina and other states through which this trade flow will cross. We must make an effort to finish the highways already started in these states or even begin other important works in these states. The BR-101 highway, for example, is fundamental in linking the southern region of Brazil with other parts of the southern region of our continent. I am reevaluating our budget in this regard. [end recording]

Regarding the constitutional reform, Cardoso said it depends on political agreements.

[Begin Cardoso recording] It is impossible to implement important modifications to common laws, let alone to the Constitution, unless this modification is the result of agreements, of political agreements. In the last meeting we had in Brasilia on 1 November with the leaders of various parties, I asked Vice President-elect Marco Maciel, who is also a senator, to discuss this issue with political leaders at the Chamber of Deputies and at the Senate. I would also like to discuss the issue with Deputy Nelson Jobim, who coordinated the recent Constitutional review, to ask whether he has suggestions in this regard. I repeat, however, that I think these issues must be dealt with institutionally, i.e., that the government must contact the leaders and presidents of each party. [end recording]

The president-elect again said he does not accept pressure to appoint anyone for his ministries. He said that the choice of the future ministers is a prerogative of the president of the Republic.

[Begin Cardoso recording] In the presidential system, the president is free to choose who will assist him. [end recording]

Brazilian Duty-Free Sugar Imports Banned

PY0411005294 Buenos Aires TELAM in Spanish 1839 GMT 3 Nov 94

[FBIS Translated Text] Buenos Aires, 3 Nov (TELAM)—Tucuman Governor Ramon Ortega said today that the Argentine Government decided to ban the duty-free entry of Brazilian sugar until Brazil stops subsidizing its sugar production.

At the end of a meeting with Economy Minister Domingo Cavallo, Ortega said: "We cannot compete openly because of the volume they produce, their cost, their cheap labor, and because the activity (sugar production in Brazil) is subsidized."

Ortega said that as long as Brazil subsidizes its sugar production "we cannot compete with them openly and, therefore, for the time being, sugar will not be included in the list of duty-free trade items with that country."

Ortega said he asked the national government to design a policy "to protect us from a country that produces from 18 to 20 million tonnes of sugar, while Argentina produces only 1.5 tonnes."

At present, sugar imports pay 10 percent duty plus 10 percent on statistics tax. Besides, there is an ad valorem right based on international prices that is taken as a base and that is above local market prices.

The system established by Economy Ministry Decree 797/92 and Resolution 1552/93 explains why the country charges duties on sugar imports to protect Tucuman sugar producers.

After his meeting with Ortega, Cavallo left the Economy Ministry to meet with Brazilian President-elect Fernando Henrique Cardoso.

Meanwhile, Economy Vice Minister Carlos Sanchez traveled to the neighboring country to continue analyzing items linked to Mercosur [Common Market of the South] and tariff coordination.

Di Tella Interviewed on Laguna Arbitration Ruling

PY0411024094 Santiago EL MERCURIO in Spanish 23 Oct 94 pp D1, D18

[Telephone interview with Foreign Minister Guido Di Tella by Mauricio Carvallo on 22 October; place not given]

[FBIS Translated Excerpt] [passage omitted] [Carvallo] Is it good or bad for the arbitration award to have been so categorically in favor of Argentina, with nothing awarded to Chile?

[Di Tella] We decided to request an Arbitration on the basis of the law and not on the basis of a compromise that may favor one of the two parties. This is what I mean when I say that you have to view it within the context of the longer term ... With the Beagle case, the three islands were totally awarded to Chile, and Argentine had to accept this decision after a series of problems ... The situation was the other way around in this case. At any rate, there have been other instances in which we had to share territories, such as Palena. I don't know, but

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if you look at it within the context of the longer term, this issue is very relative and this is how it should be.

[Carvallo] What was your impression about the haste with which Chile accepted the award?

[Di Tella] It is something that was expected, but I would also like to add that it was an exemplary reaction. We are impressed, and we believe this is the new style that should characterize Argentine-Chilean ties.

[Carvallo] Would Argentina have accepted the award so promptly?

[Di Tella] Undoubtedly.

[Carvallo] Chileans were taken by surprise because there was no coordination in making the announcements. It was even more surprising that it was Senator Eduardo Menem and not President Menem or you who made the announcement.

[Di Tella] Well, these are minor issues. Senator Menem is in charge of the Executive Brranch, and he released the information one hour before we had made it public. All of us learned about it at the same time. Both parties were informed about it at the same time, at 1215 in Rio de Janeiro. We took some time because of issues dealing with our trip to Europe. We authorized the issuance of a communique in Buenos Aires. From that very minute there were questions from the press, all of which were answered. [passage omitted]

[Carvallo] What impact do you think this award will have on the Continental Glaciers dispute, which is the last pending border dispute?

[Di Tella] I hope it will be an incentive for the Argentine and Chilean legislatures to discuss the polygonal lines or to propose another solution. I believe the respective foreign ministries have exhausted all the instances. They have made a proposal, and it is now up to the respective legislatures to decide.

[Carvallo] Yes, but is the the Laguna del Desierto award directly related with or connected to the Continental Glaciers?

[Di Tella] No, I do not believe there is any connection. These are two different legal problems...

[Carvallo] Nevertheless, both the Chilean and Argentine legislatures were waiting for this ruling to decide what to do....

[Di Tella] Perhaps the Laguna del Desierto issue will motivate the legislatures to review the entire issue, revise their opinions and see whether or not they decide to approve it or make another proposal.

[Carvallo] Otherwise there might be another arbitration....

[Di Tella] Perhaps, because all possibilities are open. The only possibility that is not open is not finding a definitive solution to the problem, because neither Chile nor Argentina is willing to continue this dispute another 20 years. [passage omitted]

Cavallo Examines Economic Plan, Indexation

PY0311154594 Rio de Janeiro O GLOBO in Portuguese 30 Oct 94 p 52

[Interview with Economy Minister Domingo Cavallo by Miriam Leitao in Buenos Aires; date not given]

[FBIS Translated Excerpt] [Leitao] You told the media that the Argentine economic plan is in danger. Is it that serious?

[Cavallo] What I said is that Argentine society, mainly the Argentine elite, must realize that the stability of a country which for many decades suffered inflation and even hyperinflation depends on the budget balance. We maintained our budget balance for the past three years, and we must continue with it, otherwise inflation could return. No, the plan is not in danger. We will defend it. [passage omitted]

[Leitao] How can you convince workers not to demand the indexation of their wages?

[Cavallo] In Argentina, indexed wages climbed on a ladder while prices climbed on an elevator. Workers now know that no matter how fast they climb on the ladder they will never be as fast as the elevator. Workers concluded that it is better if prices do not increase. The key is not in the ladder but in stability. With stability salaries increase because there is more productivity and economic growth. That will also happen in Brazil. That is why it is very important for the Brazilians to forget the idea of indexation now that they have an opportunity to have a real currency with a stable value and low inflation. If you forget the indexation you will really be able to increase the real salary value and attain economic growth.

[Leitao] How can we face the dilemma of the increase of consumption?

[Cavallo] Well, the increase of consumption is not bad because it helps to reactivate the economy. What I think Brazil should avoid, like we attempted to do here, is excessive consumption. Here we began to charge VAT [Value Added Tax] on financing and on the purchase of consumption goods. That encouraged new investments. The secret is to allow a moderate consumption without letting it drop, because it will stimulate economic growth.

[Leitao] There is a feeling in Brazil that Argentina will not be able to stand its trade deficit much longer.

[Cavallo] First, that is not a problem. Let me explain why: The deficit is the result of confidence in Argentina, which attracts investments that in turn demand the importation of capital goods. We want to increase our exports as a result of an increase of production but not as

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a result of a drop of our domestic sales as happened in the past. As long as capital good imports increase to expand our production capability we are not worried. This year our exports are increasing by 16 percent. Last year they increased by 7 percent. That is not a result, I repeat, of the drop of internal consumption but of the increase of our productive capability and of the progress our companies are making in competitiveness. If this trend continues the deficit will disappear, mainly if we manage to increase our internal savings.

[Leitao] If the foreign investment flow for some reason is suddenly interrupted, won't Argentina face some difficulties?

[Cavallo] We do not maintain high interest rates to attract speculative capital. There is no speculative capital coming for the high interest rates. Investors are after investment opportunities in the industry and services sectors. Capital comes when an industrialist or services businessman decides to invest after having developed his financing project. There could be a drop in this kind of investment flow, but I continue receiving many businessmen who tell me that Argentina is a good place in which to invest.[passage omitted]

[Leitao] How can one manage to establish a long-term financing mechanism to make companies invest?

[Cavallo] Internal savings are very important for this. Here the social security system is generating the largest savings, but stability on its own generates savings. We are now improving our mortgage rules to develop a secondary mortgage market to create a housing loan system, something that did not exist in the past.

[Leitao] Do you think the Real Plan has a chance of being the definite stabilization plan for Brazil?

[Cavallo] Yes, because the Brazilian people have realized that it is possible to attain stability and that they want stability. To the point that Brazil, through its election process, managed to form a government that will govern very well. The political conditions are given for a political reorganization in Brazil so as to permanently ensure stabilization and the resumption of economic growth. I think that the most important thing is that the Brazilian economy grow at a minimum 8 percent. If it could grow at 9 or 10 percent, better. The Brazilian economy needs to grow, but with stability. Growth amid inflationary disorder is not growth. I think Brazil should not remain satisfied with an annual 60 or 70 percent Latin American inflation rate. It must seek, as Argentina has, to maintain a very low inflation rate. That cannot be accomplished from one minute to the other. During the first year of the convertibility plan in Argentina the inflation rate was 17.5 percent, it dropped to 12.5 percent the year after, to 7.5 percent in the following year, and this year it is at about 4 percent.

[Leitao] But in order to attain this we must totally end the indexation of the economy, right?

[Cavallo] That is essential. We must admit that Chile did not manage to totally eliminate the indexation of the economy, but it has been pursuing stability for the past 20 years. Here we have become convinced that hyperinflation does not solve any problems. I am not an economist who thinks that a mechanism that has worked somewhere else should be implemented exactly the same here. I think that the economy involves politics, which means that it is necessary to find a mechanism becoming the political, historical, and geographical situation of each country. Brazil must not do the same as Argentina, just like Argentina must not do the same as Chile or Mexico.

[Leitao] And the control of money issuance?

[Cavallo] Countries like ours which abused this artificial credit-generating mechanism, like money issuance, must rule out such possibility for at least a decade.

[Leitao] In Brazil there is an impression that the Argentine fiscal balance is a bit unstable because it was partly attained with funds raised from privatizations.

[Cavallo] Whoever thinks like that has not looked well at our figures. All the income we obtained from privatizations was used to reduce our debt or to finance the reorganization of our companies. We have carried out a great state reform in Argentina. Look at what we did with, for example, the railway system. It was losing $1 billion a year. Of course we had to dismiss many employees: from the 130,000 workers the railway system had, only 20,000 remain. But the railways are now transporting more cargo and passengers than in the past. Look at what we did with oil, gas, ports, and telecommunications. It is impressive. We balanced our accounts because we reformed the Argentine state. What we did with the state banks is something that very few countries have done in such a short period of time.

[Leitao] What happened with the state banks?

[Cavallo] We are privatizing all of them because it is the best way to make them break away from their state governments.

[Leitao] What is the situation at the ports?

[Cavallo] The port of Buenos Aires used to be twice as expensive as the port of Santos. Now, with the deregulation and the changes in the labor law, the costs of the port of Buenos Aires are 70 percent of that of Santos. We have five ports competing among themselves. In a year, their cost will be one-third of the cost of the port of Santos. Our costs will be similar to those of the ports of Southeast Asia. The railway system is competing with truck transportation, and it is reducing its costs to transport grain to the ports. That represents an increase of competitiveness. This is why my message to Brazil is: Do not think that the stability in Argentina is the result of a purely macroeconomic reform like the convertibility plan. It is the result of a great microeconomic reform and

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of a large privatization, deregulation, and tax simplification program. Why am I optimistic regarding Brazil? Because the Real Plan has helped find a political solution. Countries can be transformed when they have a political leadership and political support for their reforms. The case of Pinochet only took place in Chile and it must not be repeated...

[Leitao] Fortunately...

[Cavallo] Fortunately. The kind of market dictatorship like the one experienced in Chile only happened once. In Mexico the PRI [Institutional Revolutionary Party] is a hegemonic party. Its history is demonstrating that, as more reforms are applied, the country becomes more pluralistic. All the countries in Southeast Asia have strong governments. The first cases of economic transformation with a multiparty democracy and with total freedom of the press are Argentina and Brazil. For the rest of the world, they are the two most interesting cases of economic stabilization. That is why we must be optimistic regarding our region. We are demonstrating to the world that the economy can be stabilized, that the state can be reformed, and that growth can be resumed with fully operating democratic institutions.

Cavallo Defends New Pension Bill to Congress

PY0311224294 Buenos Aires BUENOS AIRES HERALD in English 2 Nov 94 p 1

[FBIS Transcribed Text] The government submitted a new pension bill to Congress yesterday which fixes the maximum pension at 1,961 pesos and proposes a gradual increase in minimum pensions until they reach a floor of 450 pesos.

While Economy Minister Domingo Cavallo hotly denied yesterday that the new "pension solidarity" bill contained any tax increases on financial assets, past and present government officials spent the day trying to explain their privileged pensions.

Although a press conference was not on Cavallo's schedule, one glance at the report in yesterday morning's newspapers that taxes might be levied on financial assets was enough of a reason for him to call an emergency press conference to deny them.

As if this wasn't enough a local radio station divulged a partial list of people that collect privileged pensions of between 2,000 and 5,000 pesos, among which are a host of government officials, both present and past. (The bill sets a 3,300-3,500 peso ceiling on current privileged pensions, but no such pensions will be granted in the future.)

However the major embarrassment for Cavallo was the revelation that Public Revenue Secretary Carlos Tacchi—named Personality of the Year last Thursday by the IDEC Foundation—is listed as collecting a pension of 3,500 pesos.

During the conference Cavallo denied media reports that taxes on financial assets was one of the measures being considered by the Economy Ministry to finance the deficit in the pension system.

Meanwhile President Carlos Menem also came to the defence of the beleaguered economic officials assuring that "15 percent of the federal revenue-sharing funds were allocated to the pension system."

Many governors have insistently questioned the end use of the funds and yesterday Radical Party Senator Luis Leon said "it is highly evident that the Economy Ministry has re-routed funds that were meant for pensions," and that money "is being used for other things."

The Lower House began grilling Cavallo at 5 p.m. yesterday, the minister managing to avoid a numerous group of egg-slinging pensioners gathered outside Congress.

Highlights of Pension Bill Noted

PY0311224994 Buenos Aires BUENOS AIRES HERALD in English 2 Nov 94 p 7

[FBIS Transcribed Text] (DYN-NA) The main points of the new pension bill that was unveiled by the government in Congress yesterday are the following:

- An increase of 1.3 billion pesos in the 1994 budget is requested.
- The maximum pension of 1,961 pesos contemplated in the old pension law 18,037 is applicable (although earlier in the day Social Security Under-Secretary Carlos Costas said that the figure would be some 2,600 pesos.)
- A maximum of 3,300 pesos is set on privileged pensions that are still paid out.
- A maximum limit on pensions is set for those that do not have one.
- Pensions above this maximum are reduced the month after the bill becomes law.
- The resources of the share-out pension system are confirmed as limited.
- The link between pensions and salaries is annulled (no mention is made of what basis will be used to work out the amount of individual pensions).
- Congress is again given the power to fix pension increases in the budget.
- Additional resources allocated to the share-out system will go in the first instance to those that have no other means of support and receive less than 450 pesos until all the lower categories reach this level.
- Privileged pensions for legislators, judges, officials, etc, are done away with.
- Working government officials will no longer receive their privileged pensions.
- Elected officials, judges and government officials will no longer be exempted from paying earnings tax.
- The Social Security Court is transferred to federal jurisdiction and the sentences of this court are appealable to the Supreme Court.

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- Verdicts in favour of pensioners will be fulfilled within 90 days until resources budgeted for that year run out.
- Fines for delays in paying court settlements are abolished.

Menem Views Antisubversive War, Armed Forces

PY0411110994 Buenos Aires TELAM in Spanish 1437 GMT 3 Nov 94

[FBIS Translated Text] Buenos Aires, 3 Nov (TELAM)—President Carlos Menem reported today that the order to repress subversion in the 1970's during the government of Maria Estela Martinez de Peron was agreed upon by the political power and the Armed Forces.

"Mrs. Peron and the governors had agreed with the commanders of that time, to put an end to this dirty war, to this subversion which had caused so much harm to the Argentine Republic," the president said.

This morning President Menem told Radio 990 that "in a dirty war, unfortunately, the dead of both sides deserve respect."

Menem added that "there had been torture, imprisonment, and murder by those who today tear their clothes and raise their voices against the Armed Forces."

The president said, ironically, that "it would seem as though some of those who died in this war obviously had their human rights violated, while others did not."

"I have been one of the victims of the Armed Forces, and so I have more authority than many to make reference to these matters," the president said, referring to his imprisonment and later confinement he suffered during the military government.

"What was more convenient for Argentina has won: Let us see if there is still a "liberated zone" in Tucuman Province, as some wanted; let us see if the country is still involved in an endless war, as is the case in other Latin American countries," he said.

He went on to say that "no Argentine citizen wants this," and he called for "an end to this situation, so that we can look forward and not keep digging up the past, because then everyone will end up being involved."

"It is better to forget all this," the president said, and added that the country's experience must be taken into consideration only to prevent "situations such as those we experienced in previous decades from being repeated."

Brazil

Article Examines Interest in Business With Cuba

PY0311221294 Rio de Janeiro JORNAL DO BRASIL in Portuguese 1 Nov 94 p 6

[Article by Coriolano Gatto]

[FBIS Translated Text] The road from Havana to Varadero, the sea resort, paints a clear picture of the changes under way in Cuba. In Matanzas Province outdoor signs are full of slogans extolling socialism. One of the most common is "Revolution neighborhood by neighborhood." When the beaches come into sight, the scenery changes and so do the signs. One of the signs reads: "United Colors of Benetton." This particular change of course is what Brazilian companies find attractive. Socialist Cuba could prove to be good business.

The Montero Aranha group which, together with Bradesco [Brazilian Discount Bank], controls Ericsson do Brasil is negotiating with Andrade Gutierrez—which is already operating in Cuba—to set up a telecommunications deal. The Souza Cruz Company is working out a $15 million deal. Tintas Renner [paint-manufacturing company] will increase its exports to Cuba. The state company Furnas Electric Power Plants Inc. is taking advantage of the ongoing Havana International Fair to set up its first contract for technical cooperation. The Iochipe-Maxion group and the Rede Globo TV network which are selling soap operas have also gained a foothold in Cuba.

New Times

Cuba's National Hotel, where gangster Al Capone stayed many years ago, is an example of the new times: executives wearing ties and carrying cellular phones can be seen there all the time. Even the social crisis prompted by the end to the aid from former socialist countries and the continuing U.S. blockade does not undermine the confidence of large companies.

Let us take the example of Souza Cruz. Talks began two years ago. As in any country ruled by a single party, bureaucratic red tape was heavy. The original idea was to build a factory, but technical problems—namely that the government [not specified] was willing to accept payment only in U.S. dollars—forced the company, which is a branch of British American Tobacco, to revise the deal. Souza Cruz together with Cuba Tabaco will now set up two production lines that will turn out 3 billion cigarettes.

Milton Cabral, the Souza Cruz executive in charge of the deal said: "This economy has excellent growth prospects."

What could be attracting solid corporations to a country which is exeriencing growing difficulties? To begin with Cubans are highly qualified, and their salaries are very low. A highly qualified Cuban technician makes 350 Cuban pesos, that is, $6 [time span not specified]. It is also true, however, that the Cuban Government gets half of any deal. The other consideration that encourages capitalists is the possibility of turning Cuba into a huge springboard for exports: it is only 140 km away from the United States. Last but not least is the ability to take all the profit out of the country.

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Optimism

The big corporations are not the only ones betting on one of the world's last socialist republics. Eight years ago engineer Claudio Al Assal, 49, quit his job as marketing director of Engesa [Specialized Engineers Inc.]—the military equipment factory that went down the drain—to set up a trading company. This company which is called Maubert focused on Cuba, and it is currently selling $500,000 worth of goods per month. The company did so well that Al Assal has a subsidiary in Havana called Suply in Bond, which employs 22 Cubans and has a 1,500 square meter warehouse in Havana.

"This company is totally foreign," the engineer boasts. Among the things his company sells in Cuba are Triunfo cookies, candies, and personal toilet and cleaning products manufactured by Bombril/Orniex. All these goods are sold in supermarkets for diplomats and stores that cater to the 400,000 tourists who visit Cuba every year. The currency in these supermarkets and stores is the U.S. dollar.

Tourism is definitely the island's main driving force. Tintas Renner, for example, will have a piece of a project which will receive $30 million from Spain. The objective is to refurbish Havana's historical buildings which are in very bad shape. Tintas Renner Export Manager Mauro Saccomani has stated: "We will sell 120,000 gallons (432,000 liters) of paint." This project opens up a large market because the facades of many old buildings are in ruins, an obvious sign that there is no money for restoration.

Many foreign companies are supplying Cuba with petroleum instead of the now defunct Soviet Union. Andrade Gutierrez, a company headquartered in Minas Gerais, is drilling for oil in Cardenas Bay, Matanzas Province, together with Canadian companies. A high-level executive from a large Brazilian company summed the situation up: "The United States is harming Cuba. As soon as the embargo is lifted the country will become free for all."

That may well be the case. Since, however, certain companies have already had some problems with Cuba, duly confirmed and irrevocable letters of credit are a standard requirement to prevent defaults. A well-known Brazilian trading company has been collecting a $300,000 debt after considerable delay. The Perdigao Company and the Poliolefinas Company (the latter is currently controlled by the Odebrecht group), have also had problems in the past. Thus, the companies are feeling their way carefully.

Insights Into Personality of Marco Maciel Revealed

95SM0023A Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Oct 94 p A6

[Article by Moises Rabinovici: "Maciel Promises To Break 'Vice President's Curse'"]

[FBIS Translated Text] Marco Maciel, the next vice president of a country that has now been governed by eight vice presidents, has revealed to O ESTADO DE SAO PAULO a pledge he extracted from President-elect Fernando Henrique Cardoso: "He will have to stay very healthy for the next four years."

In the case of lean and lanky Marco Antonio de Oliveira Maciel, 54, Brazil will probably not be governed by a third vice president following the two former Vice Presidents Jose Sarney and Itamar Franco. He is hoping that "the quota has been reached."

But when Marco Maciel looks at the next president, he glimpses (knock on wood) another Tancredo Neves. And he explains: "Tancredo was the ransom for democracy; Fernando Henrique is going to consolidate it and will be the great social transformer—the Tancredo of the new era."

With a copy of the government's *Let's Get to Work, Brazil* in hand, Marco Maciel quoted the first two lines in the first chapter: "Brazil is no longer an underdeveloped country. It is an unjust country." He then added: "A democratic country, yes, but also unjust. And to make it just, we must think about the issue of development—development that will correct the inequalities characterizing Brazil's social space."

Brazil's next vice president reminds one of Cardoso's first country of exile—Chile. Maciel has even been nicknamed "Map of Chile" because of his height (1.85 meters) and thinness (60 kilograms). He has also been called "Ultralight" and "Atomic Ant." And he is said to be a "Zero Cost" public official because he does not eat much, almost never sleeps, and can be propelled by the wind. He avoids talking about himself, using the excuse that doing so "is very impolite." And he reveals a degree of shyness, which he brushes aside by changing the subject: "Everyone has his own style, right?"

Marco Maciel's style is one of discretion to the point of not telling his wife whether she was his first girlfriend—they have been married 32 years—and of an insatiable liking for work. "His entertainment is work," attests Senator and former President Jose Sarney. Parties are simply commitments. He does not even know how to dance. And he drinks only a single shot of whiskey if drinking is inevitable. There are even those who say that he is actually fat: "But he is so secretive that he passes for thin!" There was a time in his 30-year political career when he would wake his advisers up in the early morning hours. "Now I restrain myself," he says. Nowadays he observes a truce from 0100 to 0500 hours.

"I make public life a missionary activity," the vice president-elect agrees. "I have no other kind of activity. I taught classes when I was elected state deputy in Pernambuco (1967-1971), but I gave up my legal practice to avoid a conflict of interest. This is a borderline area: a dangerous gray area. After being elected federal deputy (1971-1975), I did not continue teaching. It was a

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matter of physical incompatibility: I could not be in Brasilia and Recife at the same time. More than a profession, politics has become an attitude toward life. The only thing I do outside politics, in my moments of leisure, is spend time with my family. And my family supports me; it understands."

Sociologist Anna Maria Ferreira Maciel gave up her professional life for her husband's "missionary activity." She suspended her contract with Sudene [Northeast Development Superintendency]. She met him when he was a university leader, and she is no longer surprised at anything. "I demand the same from those who work for me," he says, interrupting the symphony of grasshoppers that is promising rain after 75 days of drought in Brasilia. "I do not know if I am being radical, but this is how I view politics: virtue and the science and art of the common good, as (Catholic thinker) Alceu Amoroso Lima used to say."

A professional politician, Marco Maciel has not amassed a fortune. His assets consist of an apartment in Recife, a plot of ground in Brasilia, automobiles, and telephone lines. During the election campaign he was accused of having dealings with the same ghost of Paulo Cesar Farias that bought the Fiat Elba for former President Fernando Collor. And candidate Luiz Inacio Lula da Silva advised Cardoso not to put a checkbook in his hands. Those charges did not stick. But they were as shocking as former Minister Rubens Ricupero's remarks on the airwaves. "Zero Cost" takes pride in leading "an honorable and unblemished life."

Politics has been there since the cradle, Marco Maciel points out. "I am heir to the example set by my father" (Jose do Rego Maciel, former mayor of Recife). Moreover, his godfather at his baptism was former Governor Etelvino Lins. He ate, slept, and breathed politics. He learned how to stay within the orbit of power from the political bosses in the old PSD [Democratic Social Party]. His first political feat was to get himself elected president of the Central Directorate of Students at the Federal University of Pernambuco in 1960 with the support of both the Right and the Left. Since then he has never lost any election in which he has been a candidate. He has been secretary general of Arena [National Renewal Alliance], a two-time federal deputy, speaker of the Chamber of Deputies (1977-1979), a "bionic" [government-appointed] governor, a senator, minister of education and minister-chief of the Civilian Household in the Sarney administration, founder and president of the PFL [Liberal Front Party], the Collor administration's leader in the Senate, and even a member of the Pernambuco Academy of Letters.

Marco Maciel is a skillful organizer. "He has no backbone: he just dances to whatever music is playing," former Governor Cid Sampaio once said. Former President Ernesto Geisel called him "son." His real father admits: "My son has always rowed against the current; he prefers shortcuts to well-trodden paths." General Golbery do Couto e Silva used to consult him. Former President Tancredo Neves wanted him as his vice president, a spot that wound up going to Sarney. He was one of "Filinto's boys," as were Aureliano Chaves, Prisco Viana, and Murilo Badaro. But when Filinto Muller, president of Arena and the Senate, died and many senators asked him to deliver the posthumous speech, he dodged the assignment: "I am hoarse."

The future vice president's enviable resume includes both the "April Package" of the Old Republic, which eliminated direct elections for state governor and created "bionic" senators, and the negotiations for the political relaxation and the New Republic. He escaped before the military regime suffered shipwreck. He jumped out of former President Fernando Collor's boat when the weight of the P.C. Farias scandal threatened to sink it. A spiteful joke in Pernambuco makes this ironic comment regarding so much political survival: "Between the Bible and *Das Kapital*, there sits Marco Maciel with the DIARIO OFICIAL [the government gazette]." The formula was different, according to Ulysses Guimaraes: "There is no doubt that the man is competent."

Brazil's next vice president says that "discretion is one of the wise skills of politics." Another essential is patience. "I was in Cuiaba with Tancredo Neves when a reporter wanted to know the 10 chief qualities of a politician. And Tancredo answered: 'From one to seven, patience.'"

The reporter said: "But Senator Maciel, you have also praised a 'concentration on defense,' comparing it to a tactic in soccer."

Maciel explained: "To be daring, one must have a very solid base. A team does not win just by attacking; it must also have a good defense. I praised the national team because of its teamwork. The players took to the field hand in hand. I showed during the campaign that it is not enough just to elect the president; it is also necessary to elect a base in Congress. Having a good proposal is not enough. One must provide the conditions for implementing it. We must be pragmatic in politics. 'Hand in hand' meant that they were all working together."

In Marco Maciel's opinion, a vice president "rides pillion." And he adds that the one riding pillion "does not hold the reins." He foresees an immediate change only for his wife and three children—one of whom is already married—and that is their move to Jaburu Palace. The apartment he occupies in the South Wing will go to his alternate in the Senate. "I don't want to put the afterward in front of the before," he jokes in explanation of his silence regarding his plans for the vice presidency.

"But Fernando Henrique Cardoso has said that the post of vice president will not be simply honorary," the reporter argued.

"True, Fernando Henrique has been saying significant things in that regard. But what kind of vice president will

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I be? The kind stipulated in the Constitution. I will be limited to what is allowed by the Constitution. That is my job. I am going to wear the suit required by the Constitution," Maciel explained.

The vice president-elect talks faster than the Prona [National Order Redefinition Party] candidate for president, Eneas Carneiro, who is known as "Swifty" at the primary school in Rio Branco, Acre. Sometimes he even trips over his own words. He has an abundance of ideas and examples. At times he announces, for the sake of clarity, that "I will translate what I said." He never loses his trend of thought, even when interrupted by the telephone. He claims that he "did not intend to be vice president." When he was first invited to run for that post, back in 1984, he made it possible for the choice to fall upon Jose Sarney. "He was the one with the best record and he was high up in the chain of command," Maciel explains.

The question was asked: "But what made you accept this time?"

"I became vice president purely by accident. Early in the morning on 3 August, with the elections 60 days away, there was a meeting here at my home" (he pointed to the table in the dining room). "Things were coming together for the choice to fall on me. There were requests from various segments. The PTB [Brazilian Labor Party]..." (he paused and then changed direction). "Also, we could not allow a crisis to ferment like the one in the PT [Workers Party], which took 37 days to change its vice presidential candidate. We reached our decision within 24 hours."

Even the possibility of having to replace Cardoso if there is a reelection does not lead him to see himself as acting president. "If there is going to be a reelection, what is the purpose of continuity, and why step down to run?" he argues.

The first vice president to assume the presidency in Brazil was Marshal Floriano Peixoto, who took office on 23 November 1891 following the resignation of Deodoro da Fonseca, who had proclaimed the republic in 1889. The next vice president to assume the presidency, Manuel Vitorino Pereira, tried to hold on to that office by suggesting the "sensible resignation" of President Prudente de Morais, who had been elected in 1894 but had taken a leave of absence in 1896 to undergo medical treatment in Teresopolis. Pereira even reshuffled the cabinet. Ill but worried, Morais reassumed office without saying a word to anybody and fired his vice president with a note delivered by an office boy. President Afonso Pena died on 14 June 1909 and was replaced by his vice president, Nilo Pecanha. Next came Delfim Moreira, during the second term of President Rodrigues Alves, in 1918. Since he was insane, power passed informally to Minister of Transportation Afranio de Melo Franco. President Getulio Vargas' suicide in 1945 resulted in his vice president, Cafe Filho, becoming president. When President Janio Quadros resigned in 1961, he was replaced by Joao Goulart, who returned from China with many stops along the way so that Congress would have time to get around the military pressure opposing his inauguration. Then President Tancredo Neves died on 21 April 1984, before his inauguration took place. And Vice President Jose Sarney became president. The eighth vice president to become president, Itamar Franco, replaced Fernando Collor, who was impeached.

The most recent vice president, Itamar Franco, who is still in power, holds a very high place in the opinion of the next vice president: "He has a very important role related to the role played by Fernando Henrique in paying off the social debt. He extirpated the virus of inflation, thereby creating the conditions for economic stability and foreseeability."

The reporter said: "It is a country of vice presidents, right?"

Senator Marco Maciel replied: "That's true."

The reporter knocked on wood: rap, rap, rap. Then our next vice president revealed President-elect Fernando Henrique Cardoso's promise: not to fall ill during the next four years.

Chile

Senate Opposition Bloc Protests Laguna Ruling

PY0411025094 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 4 Nov 94

[FBIS Translated Text] With the votes of the opposition, which has the majority in the Senate, the Senate has agreed to protest the recent Arbitration Court award on the Laguna del Desierto issue.

Amidst heated discussions, the Senate submitted to debate a text proposed by the right, which states that before the government announced its compliance with the Arbitration Court ruling, the award should have been thoroughly studied.

Senate President Gabriel Valdes expressed his opposition to this proposal and stated that he attended the National Security Council [Cosena] meeting.

[Begin Gabriel Valdes recording] Therefore, I am committed to what I signed, drafted, helped to draft and approved during the Cosena meeting.

I believe that this proposal reflects our country's position on an international issue and that it seriously jeopardizes national interests, what has been done and what must be done in the future. [end recording]

While the debate was taking place, people could witness how administration officials were arguing with opposition representatives.

[Begin recording] [Independent Democratic Union Senator Hernan Larrain] This award has not upheld principles of equity or history. The situation we are witnessing

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regarding this Arbitration Court, comprising Latin American experts, compels us to protest, because this is how we should react when confronted with wicked and unfair rulings such as this one in question.

[Socialist Party Senator Jaime Gazmuri] I believe that the seriousness of the matter lies in the fact that if the policy upheld by the government was that proposed today by those senators who signed this proposal, we would be seriously jeopardizing our national interests, our country's honor, and Chile's long-standing tradition of resolving conflicts through peaceful means and in compliance with the law. [end recording]

Finally, the protest promoted by the right was approved, but the members of the Coalition of Parties for Democracy [CPPD] voted against it. At any rate, the issue is not closed because another declaration proposed by the CPPD will be voted on next week.

Satisfaction Expressed Over Mideast Peace Treaty

PY0411015294 Santiago EL MERCURIO in Spanish 28 Oct 94 p C8

[FBIS Translated Text] The Government of Chile has expressed its satisfaction over the peace agreement signed on 26 October between Israel and Jordan within the framework of the Middle East peace process.

In an official note released yesterday, the Foreign Ministry states that the peace agreement signed by the Israeli and Jordanian heads of government—in the presence of the U.S. President—ends a lengthy period of conflict between the two nations.

"This step so desired by the international community expresses the desire for peace and cooperation the governments of Israel and Jordan want to implement in their relations, thereby to begin a new era of understanding and harmony in religion," the note adds.

In conclusion, the Chilean Government wishes to convey congratulations and greetings to the peoples and governments of Jordan and Israel, with which it maintains a long tradition of friendship.

Air Force Commander Announces Planned Retirement

PY0411110194 Buenos Aires TELAM in Spanish 2059 GMT 2 Nov 94

[FBIS Translated Text] Santiago, 2 Nov (TELAM-SNI)—Chilean Air Force (FACH) Chief General Ramon Vega announced today that he will retire in June 1995 as provided by the Constitution approved during the past military regime.

At the end of a meeting with President Eduardo Frei, the Air Force commander said that by the end of November he will submit the list of promotions within the FACH. He admitted that the qualifications process has been delayed, although he attributed it to his absence from the country.

Political sources have speculated that the delay has been caused by the fact that the one who is confirmed as deputy commander of the Air Force will be the one to replace Vega by mid-1995, and for this reason the promotions had to be first discussed with the government.

Vega will be the first to retire among the commanders of the Armed Forces which handed over the government to President Patricio Aylwin when democracy was restored in March 1990, after a 17-year military regime headed by General Augusto Pinochet.

The other three commanders—General Pinochet of the Army, Admiral Jorge Martinez Busch of the Navy, and General Rodolfo Stange of the Carabineros—have not yet expressed their desire to seek retirement, and it is thus taken for granted that they will fulfill the maximum constitutional term up to 1997.

The Army last week submitted the list of officers who will be promoted and confirmed that General Guillermo Garin will replace General Jorge Lucar as deputy commander, which strengthened the line of the Army commander, although one promotion is still to be made before Pinochet's possible successor is considered.

Ecuador

Congress President Views Constitutional Reforms

95SM0020B Quito EL COMERCIO in Spanish 6 Oct 94 p A2

[Interview with Congress President Heinz Moeller by EL COMERCIO staff; place and date not given]

[FBIS Translated Text] *The changes approved in the referendum will be incorporated. The others that were proposed will be discussed. Other initiatives will be added to the executive's program. One thing is certain: the reforms requested by the country in the referendum will pass.*

Heinz Moeller, the Social Christian Party's strong man in Congress, is proposing a truce with the government in order to pass the constitutional reforms.

In addition, he is proposing working together in order to achieve change by consensus. He cannot rule out that another referendum might be required to pass the reforms.

The work will be done he says, although he claims he is convinced that the changes that will be made in the Constitution will not resolve the problems of the country's poor.

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[EL COMERCIO] You hastened to say that some reforms would not receive the 52 votes. Is this not pessimism?

[Moeller] It would be an excess of optimism, and we would create needless expectations if we say that we are going to approve the executive's program exactly as it was presented. This is not the case. I believe that not even the executive expects this. The program has proposals like all the others.

[EL COMERCIO] Are the proposals approved by the popular referendum only proposals?

[Moeller] No. It is obligatory that they be enacted. They must be incorporated to the last letter. As for the others, they are all proposals.

[EL COMERCIO] Which ones?

[Moeller] One example, the bicameral system. It is extremely difficult to obtain 52 votes in favor of the proposal. I note that there is a majority in Congress as long as the modified unicameral system continues in force.

[EL COMERCIO] But, is the executive's program a single program?

[Moeller] Yes, but it has two parts. One, which contains the results of the popular referendum, and the other the government's proposals.

[EL COMERCIO] Are the government's proposals considered on a par with those of any other sector?

[Moeller] That is correct.

[EL COMERCIO] But if these proposals do not pass there will be a new referendum....

[Moeller] Not necessarily. The referendum is a prerogative of the president. Once Congress approves the reforms, he will have to decide whether what did not pass is worth a referendum.

[EL COMERCIO] And would it not be better to have a consensus to avoid the expense of another referendum?

[Moeller] It is likely that another referendum will not be necessary. Let us hope that the executive decides that the reforms approved by Congress are positive, although some of the executive's proposals lack a consensus.

[EL COMERCIO] What could the executive do to obtain a consensus?

[Moeller] It has already stopped doing something: suppose the executive's commission and Congress' commission had worked together. If they had, we would have made progress toward a consensus. The government preferred to work exclusively with its own commission. The result is that only now is the Congress going to see the program.

[EL COMERCIO] From what we saw on Tuesday, there has already been a drawing together....

[Moeller] I hope that this act is a sign that these two functions of government can and should, beyond their political differences, work together to achieve the best Constitution.

[EL COMERCIO] A perfect Constitution?

[Moeller] There are no perfect constitutions. Nor do constitutions, although they might be very good, resolve the problems of the people.

[EL COMERCIO] And what is expected of the reforms?

[Moeller] I said last Tuesday, we are creating very large expectations that this Constitution is going to resolve the problems of the people. And this is not so.

[EL COMERCIO] What should be done, then?

[Moeller] The Congress must draft and the executive approve laws of a social nature. This has already been proposed. We must concern ourselves with the neglected areas and the neediest sectors. The Constitution is not going to take care of that.

[EL COMERCIO] How is it that you and your people do not see the reforms as indispensable?

[Moeller] Some reforms are very important. Some are considered almost indispensable.

[EL COMERCIO] Which ones?

[Moeller] One: the reformation of the judicial branch. It is a necessity that justice be depoliticized. If only that were achieved it would be enough. This subject is in the executive's program. And we support it because we have already proposed a change in that body. The country must be decentralized by constitutional means: without going to the extreme of federalism nor continuing in centralist statism.

[EL COMERCIO] Is the subject of federalism included in the executive's program?

[Moeller] No, it is not. There is instead an excessively lukewarm proposal for decentralization.

[EL COMERCIO] And are you and your people going to encourage this proposal?

[Moeller] It is obvious that the executive's delay in submitting this proposal was due to internal differences over decentralization. Congress will have its own opinion. We could even manage to support the government sector on this issue.

[EL COMERCIO] Do the reforms run the risk of being part of a confrontation between Congress and the executive and not emerging as a theme for the country?

[Moeller] As far as the Presidency of the Congress is concerned, we are going to try to see that this does not

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happen. A fight over constitutional reforms is not good for the country. A free flowing and intense dialogue is better. It is not that the executive should think that there is a fight because Congress does not agree with him. The president has to listen more to Congress, because this is where the popular force is, represented by its various ideological tendencies.

[EL COMERCIO] Can you work together?

[Moeller] If the president agrees that consensus is bilateral and not only in one direction, we will work together on the reforms, and I am sure that the executive will agree to the changes that Congress has proposed.

[EL COMERCIO] How does the Social Christian Party plan to be an opposition force using the executive's constitutional reforms?

[Moeller] We would not think of using the reforms as a means of opposing the executive. Our opposition is political. And it has alternatives.

[EL COMERCIO] What alternatives?

[Moeller] We said no to the proposed telecommunications law that meant turning over Emetel's [expansion not given] assets to any foreign enterprise and leaving the consumer defenseless before whatever fees and services that they cared to impose. We proposed a substitute law that provided for appropriate guidelines.

[EL COMERCIO] And how will the opposition that you say you are conducting be carried out?

[Moeller] We will continue to maintain our political opposition. But the Constitution is too important. It involves the country's grand objectives and there is no room for political considerations. This is where we must come out of our trenches of party interests, and together wage a battle for a better Ecuador.

Congress Designates Supreme Court Judges

95SM0020A Quito EL COMERCIO in Spanish 7 Oct 94 p A2

[FBIS Translated Text] *Seven of the 16 judges designated by Congress were reconfirmed. The judges will serve a six-year term. Ex-President Carlos Julio Arosemena is one of the new members of the Supreme Court and is among the leading candidates for the presidency of the court. Who are the 17 magistrates named by Congress?*

With some new faces and some others already well known, the Supreme Court of Justice was renewed by the National Congress.

One-third of the Court was replaced, and in two years (1996) another third will be changed. In 1998, the terms of service for all of the judges will be normalized.

Congress named 16 magistrates to the court. Nine of them were reappointees.

The court is made up of five chambers that are specialized in various juridical disciplines. Each chamber has five minister judges and a permanent associate judge. In all, there are 36 judges.

In addition, there is a president of the tribunal in plenum who is not a member of any chamber. He is the chief authority and the representative of the judicial branch. He has specific powers and duties.

All of the magistrates serve terms of six years. The president holds that position for two years, after which he returns to the position of minister judge.

The appointment of judges has always been a function of Congress.

Before 1979, judges and even the state prosecutor were elected by secret majority vote by the members of Congress (senators and deputies).

The names of candidates were submitted by written votes that were then examined and the result announced. Candidates had to attain a simple majority of the members of Congress to be elected.

For the past 15 years, with the reestablishment of the constitutional regime, the Organic Law of the Office of the Attorney General has been in effect, which separated the Supreme Court and the Attorney General's Office.

Also, the election of judges to the court required the favorable vote of two-thirds of the members of Congress. In this case, the percentage was equal to 52 members, as there were 77 deputies.

There has always been political interference in the designation of judges to the court. However, earlier there was a preference for career judges, or jurists with experience, knowledge and moral standing, said the dean of the Faculty of Jurisprudence of Central University, Guillermo Bossano.

For the past 15 years, political interference has ignored these considerations, disregarding persons who have followed a career in the judiciary for many years, and who deserve a well earned promotion, said Luis Munoz, national president of court officials.

Most recent additions to the court have been made on the basis of quotas or shares of judges, assigned to the political parties that won the last election.

Currently, the Supreme Court is composed mainly of judges and associate judges recommended by the Social Christian Party or the Roldosist Party.

There are some judges who were sponsored by the Conservative Party, Popular Democracy (DP), Democratic Left, Popular Democratic Movement (MPD), the Alfarist Radical Front, and the Concentration of Popular Forces.

The election is accomplished by slate, that is, one single list previously agreed upon by the congressional blocs in

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agreement, based on an understanding between Social Christian and Roldosist deputies.

The MPD deputies voted against the slate, and the DP deputies walked out in protest.

Carlos Julio Arosemena

Carlos Julio Arosemena Monroy comes to the Supreme Court of Justice for the first time. He was born in Guayaquil in August 1919.

In 1960 he won in the elections and presided over Congress as vice president of the Republic.

Jose Maria Velasco Ibarra was ousted in November 1961, to be succeeded by Arosemena Monroy. A military coup overthrew Arosemena on 11 July 1963.

Rene Bustamente

Rene Bustamente Munoz was named minister judge of the Civil and Commercial Chamber.

He has occupied senior positions in public administration: bank superintendent, superintendent of companies, judicial adviser to the Ministry of Treasury (Finance), and undersecretary of government.

He is a professor at the Pontifical Catholic University of Quito.

Julio Jaramillo Arizaga

Julio Jaramillo Arizaga was confirmed to the Supreme Court of Justice.

Jaramillo was promoted from associate judge to minister judge in the Labor Chamber. He has pursued a judicial career: he was a judge and member of the Criminal Tribunal of Canar, circuit judge, and judge partitioner.

He was a judge on the Juvenile Court, minister judge of the Supreme Court of Justice and associate judge in the Labor Chamber of the Supreme Court of Justice.

Olmedo Bermeo Idrovo

Olmedo Bermeo Idrovo enters the Supreme Court as an alternate minister judge in the Chamber for Administrative Litigation.

He is coordinator for judicial consulting at the State University of Cuenca. He has been a circuit judge, prosecutor, and judge in the Criminal Court of Pichincha, and counsel for the municipality of Sangolqui. He was a judge in the Court of Constitutional Guarantees.

Marcos Suescum

Marcos Emilio Suescum Guerrerro was confirmed to the court and joined the Prosecutorial Chamber.

He was born in Guayaquil and graduated from the State University. The thesis for his doctorate in jurisprudence was on a subject of current interest: recourse to appeal in criminal cases.

He was a criminal prosecutor in Guayas, a member of the Criminal Tribunal, commissioner of police and of sanitation, undersecretary of labor and social security, associate judge in the Tribunal for Administrative Litigation, minister judge of the Superior Court of Quito and minister judge of the Supreme Court of Justice.

As an interesting hobby, he frequently serves as a boxing referee.

Adriano Rosales

Adriano Rosales Larrea was confirmed as an associate judge in the Criminal Chamber of the Supreme Court of Justice.

He was born in Ibarra on 8 April 1930.

He received his doctorate in jurisprudence from the Central University in Quito.

He has been a member of the Permanent Commission on Legislation.

He was secretary general and counsel of the Central University of Quito, adviser to the Ministry of Public health, secretary-counsel of the Faculty of Dentistry at Central University, secretary for sanitation for the Central Zone, and university professor.

Julio Navarrete

For Julio Navarrete this is also a reconfirmation as minister judge in the Prosecutorial Chamber of the Supreme Court of Justice.

He was born in Guayaquil on 23 October 1936.

He graduated from the State University of Guayaquil, where he received his doctorate in jurisprudence.

He has worked in the judicial field as a judge on the Criminal Tribunal, provincial civil judge in Guayas, and minister judge in the Prosecutorial Tribunal. He was professor of treasury and public finance sciences at the University of Guayaquil.

He was president of the Ecuadorian Institute of Tax Law and consultant to commercial and industrial firms.

Jose Bermudez Arturo

Jose Alejandro Bermudez Arturo is a new judge.

He was born in Rocafuerte, Manabi, on 3 September 1926.

He received his doctorate in jurisprudence at Central University of Quito. He began his judicial career as a district judge.

He subsequently became a labor inspector, prosecutor and criminal judge, and minister judge of the Superior Court of Portoviejo. He was also probate judge in Manabi and regional director of the Regional Comptroller's Office in that same province.

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He was president of the Superior Court of Justice of Portoviejo.

Hugo Larrea Benalcazar

Hugo Larrea Benalcazar is another of the new judges. He was born in Ibarra on 28 September 1928.

He entered the judiciary for the first time as minister judge of the Superior Court of Ibarra, which he later had to leave because his uncle, Adriano Rosales Larrea, was named as minister judge on the Supreme Court. Now they are both on the Supreme Court of Justice.

Jorge Americo Gallegos

Jorge Americo Gallegos Teran was born in Latacunga on 1 June 1926. He started as second criminal judge at Pichincha, chief prosecutor at Cotopaxi, chief prosecutor at Pichincha and Napo, minister judge in the Superior Court of Quito, and president of the Superior Court of Quito in 1983, 1988, and 1991.

He has been minister judge in the Criminal Chamber of the Supreme Court of Justice.

Eduardo Brito Mieles

Eduardo Brito Mieles begins his career in the judiciary as minister judge in the Criminal Chamber of the Supreme Court. He graduated from Catholic University.

He has served as legal adviser to the Army Corps of Engineers, lawyer in the juridical advisory section of the State Comptroller's Office, legal adviser and secretary general of the National Congress.

Salomon Soria Madrid

Salomon Soria Madrid, a career judge, returns to the Supreme Court as minister judge in the Prosecutorial Chamber.

In the course of his career, he has been secretary of chamber in the Superior Court of Quito and of the Supreme Court, minister judge and president of the Superior Court of Quito, and minister judge of the Supreme Court.

Raul Coronel Arellano

Raul Coronel Arellano was confirmed to the Criminal Chamber of the Supreme Court as minister judge.

He was born in Latacunga in July 1926 and received his doctorate in jurisprudence from the Central University of Quito.

He has served as district judge in Latacunga, associate judge of the Superior Court of Latacunga, and minister judge and president of the Superior Court of Latacunga.

He was a lawyer at the National Development Bank.

He was elected president of the College of Lawyers of Cotopaxi.

Manuel Viteri Olvera

Manuel Viteri was confirmed to the Criminal Chamber of the Supreme Court of Justice as minister judge.

He graduated from the State University of Guayaquil, where he received his doctorate in jurisprudence. He is a professor of criminal law at that university.

He has made his career in the judicial branch: he began as an associate judge and later was secretary of the police courts in Guayaquil.

He was an associate and secretary of the provincial courts of Guayas. He served as prosecutor and criminal judge, labor judge and chief prosecutor in Los Rios province, minister judge in the Superior Court of Babahoyo, and minister judge in the Superior Court of Guayaquil.

Ramon Echaiz

Ramon Echaiz Enriquez was also confirmed to the Supreme Court and will enter the Prosecutorial Chamber as minister judge.

In his judicial career, he has been clerk, secretary and criminal judge of Guayas, judge of the criminal court, and permanent associate judge of the Superior Court of Guayaquil.

He served on the fourth section of the Guayas criminal court and as second judge of the Criminal Tribunal of the province.

He was named permanent associate judge in the Third Chamber of the Superior Court of Guayaquil.

He was elected minister judge in the Supreme Court of Justice.

Marco Maldonado

Marco Maldonado Castro is entering the Labor Chamber of the Supreme Court as an associate judge.

He began his judicial career in Loja, where he was born 45 years ago.

He has been judge on the Criminal Court of Loja and professor of forensics, Roman law, international law, and labor law at the University of Loja.

He has served as second judge in the criminal court in Loja and principal member of the Third Tribunal in that province's criminal court.

He has been legal adviser to several banks in Loja and to the Ecuadorian Housing Bank.

Peru

Fujimori Congratulates Military on Successes

PY0311201994 Lima Global de Television Network in Spanish 0130 GMT 3 Nov 94

[FBIS Translated Text] President Alberto Fujimori has reiterated his congratulations and support to the Army high command for its success in the struggle against terrorism.

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He pointed out that in this new phase the Armed Forces will continue to play a very important role in the struggle against poverty.

The president made these statements during his speech at the opening of the Pachacute Job Training Center, located at the headquarters of the Army's 1st Special Forces Division in Chorrillos.

[Begin Fujimori recording] I hereby order the Armed Forces and National Police to detain, capture, and hand over those terrorists who have still not surrendered to the judicial branch. I will be inflexible until we attain the country's full pacification. You, generals and officers, have my full support. I am the president of the Republic and the supreme commander of the Armed Forces, not just a figurehead in this task. I want to refute criticisms in some headlines and point out that we give great importance to human resources and human rights.

Without trying to sound overoptimistic, I repeat, without sounding overoptimistic, I want to point out that after 1 November Peru has become a different country.

I want to congratulate you, General Nicolas di Bari Hermoza. I want to congratulate all the generals, General Howard Rodriguez, General Castillo, each and every one of the commanders of the military regions, each of those who died. I pay tribute and express my full support to all of you. [end recording]

The president voiced his support for the Armed Forces during his speech opening the Pachacute Job Training Center, located in the 1st Special Forces Division Las Palmas.

Fujimori also referred to this center, noting that a soldier must not only prepare for war but also prepare to work during times of peace. The opening of this training center will allow the Peruvian Army to participate in the country's socioeconomic development because the youths who have served the fatherland will learn a job that will allow them to earn a living.

Fujimori's visit to Las Palmas ended with an exhibition by parachuters who were wearing new equipment.

Election Board Discloses Voting Result Procedures

PY0411110794 Lima America Television Network in Spanish 0100 GMT 3 Nov 94

[FBIS Translated Text] The provisional official results of the upcoming elections will be disclosed a few hours after the election has ended. This information was disclosed today by National Election Board [JNE] President Ricardo Nugent, who said that the final results of the presidential election will be disclosed four days after the elections.

During a news conference, the JNE president commented on the work carried out last week by JNE authorities in provinces, during which a total of 167 scrutinizers were trained.

He also said that the budget allocated for the JNE is adequate. Nugent referred to the faults of the electoral law and said that he will, at the opportune time, send to Congress a draft law proposing some initiatives to be added to the law currently in force.

As for the decision to not count the void and blank votes for the final vote count, he said that one cannot start speculating on the effects this will have.

As for the vote count, he said that official provisional results will be disclosed a few hours after the vote.

[Begin Nugent recording] Only 50 percent of the official results will be disclosed provisionally after midnight. Total and final results for president will be disclosed four or five days later because the vote count will take longer due to the subject of the preferential [no further specified] vote. [end recording]

Election Campaign, Other Developments 19-25 Oct

95SM0035A Lima DESCO Database in Spanish 28 Oct 94 p 1

[From Resumen Semanal; via Internet]

[FBIS Translated Excerpt]

Introduction

The National Election Board (JNE) has officially approved the registration of 15 political groups and has rejected the presidential slates of the other 12. Notable among the latter is Susana Higuchi's Harmony Century XXI slate. It was rejected because the failure to collect the number of signatures of supporters required by law. In this connection, a polling agency has revealed that Alejandro Toledo of the CODE [Democratic Convergence]-Possible Nation is a new "surprise candidate" who is rising rapidly and prematurely. On the other hand, the head of the SIN [National Intelligence Service] announced that next year, SIN offices will be in operation in the public departments. This statement provoked immediate surprise and protests. Only a few days remain before the Repentance Law expires on 1 November, and according to General Nicolas Hermoza Rios, 5,108 terrorists have had recourse to it. However, the overwhelming majority of these "repentants" are still in prison, the victims of faithlessness, in some cases, and a lack of protection, in others.

IMASEN Survey

In the event that the outcome of the elections is settled in a second round, President Fujimori would be reelected by 51.9 percent of the votes, defeating his Union for Peru opponent, Javier Perez de Cuellar, who, according to an IMASEN poll, would only win 37.5 percent of the votes. If, on the other hand, the second round were to be a contest between the chief executive and Lima Mayor Ricardo Belmont, Fujimori would win with 62.3 percent of the votes, as compared with 16.5 percent for the

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municipal official. The approval rate for the administration of the minister of economy declined between August and September of this year from 46.9 percent to 31.4 percent. (GESTION 20 Oct 94)

12 Groups Disqualified

The movements definitively excluded from next year's electoral contest total 12. They were rejected for failure to gather the 100,000 signatures required by law. These groups or movements have until 9 January 1995 to present parliamentary slates, provided, a spokesman for the National Election Board made it clear, that they do so as independents and gather the 100,000 supporters' signatures the law requires. (Most dailies 25 Oct 94) [passage omitted]

Fujimori Meets With Businessmen

On 21 October, President Fujimori had his first meeting with owners of small and medium-sized industries as a president-candidate. He made a promise to add $1 million to the fund of the Small and Medium-Sized Industry Guarantee Company (SOGAMPI). He also announced state support for the purchase of capital goods in the amount of $1 million. This sum would be used to purchase machinery from China for distribution to the small and medium-sized industries in the country that are affiliated with the APEMIPE [Peruvian Association of Small and Medium-Sized Businesses]. Among the products involved, he mentioned a million shovels, machines for repairing mesh, and sewing machines, as well as shoemakers' tools. The president expressed optimism about the participation of small businessmen in the national economic process. He stressed the reports from abroad that predict growth of 9.6 percent in the national economy in 1994, as compared with the first forecasts of growth at a rate of 4.5 percent of the GDP. During the evening, the president said that thus far in his four-year term of office, there have been several attempted coups, which he will discuss when he writes the history of his administration. (Most dailies 22 Oct 94)

Fujimori and 'Consensus'

Speaking on the Panorama program on 23 October, President Fujimori announced that he is prepared to reach a consensus with an opposition parliament. He said that the second phase of his government's strategy will be implemented as the circumstances require, because the problems of terrorism or hyperinflation will no longer exist. "Initially, it was necessary to maintain a firm hand, not to say a harsh one, in order to overcome these two phenomena," he added. "I believe that there is political education now, and so then, if this type of problem no longer exists, we can seek consensus, because we cannot continue to discuss the national problems that we have already overcome," he stated. The chief of state said that he personally made the selection of his candidates for the vice presidencies.

Concerning the suspicions that have arisen about the costs of the electoral campaign, Fujimori said that he has received contributions from friends, from people who support his candidacy. He also disagreed with the warning published by the FONCODES [National Compensation and Social Development Fund] in the various media. He said that the reason for what has been done is that his government must inform the people about the good work done, through the Ministry of the Presidency. However, this does not in any way mean that it constitutes electoral campaigning. He praised the fact that there are 14 other candidates for the presidency, because this is an indication that there is democracy in the country. (Most dailies 24 Oct 94)

JPC Broadcasts Message

On the "Saturday Focus" program on Radioprogramas on 22 October, Ambassador Javier Perez de Cuellar (JPC), who is a presidential candidate, called upon Peruvians "to combat the reelection" of President Fujimori. He also warned the candidates that they must remain vigilant and "have the courage to speak out very loudly at the first sign of electoral fraud." He said that "up until now," he has had no reason to mistrust the National Election Board, or to suspect that the people of Peru will be the victims of major fraud. However, he said that there are "worrisome indications" that lead to certain doubts about the honesty of the electoral process. He explained that the changes in prefects and subprefects "at precisely the time the electoral process is under way" can be regarded as "worrisome signs. This is something that concerns us," he said. Another disturbing point, he noted, is the possibility that intelligence offices will be established in the public departments. "I hope this is a plan that will not be carried out, because this would mean creating an atmosphere of espionage and accusations, and that is a negative thing," he said. Despite everything, the ambassador expressed the hope that none of these "signs" will become "proofs" of a lack of transparency and honesty in the general elections next year. [passage omitted]

At another point, the presidential candidate announced that his team of advisers is working on the drafting of a "serious government program designed to create two million jobs, which will give rise to veritable labor stability." He explained that there are currently 850,000 unemployed workers. And so, he said, "it is necessary to create two million more jobs in the next five years. This is what is needed, and we are working on this."

At another point, Perez de Cuellar urged that the United States and the European countries that are drug consumers adopt a "straightforward attitude" of opposition to the drug traffic. "We need authenticity in the actions coming not only from this side, but also from the side of such consumer countries as the United States and some in Europe," he said. It is a matter of something more than giving us technical aid. It is a question of perfect coordination with Peru, Colombia, and the other

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"bridge" countries, he stated. Perez de Cuellar said that "instead of negotiating (with the drug traffickers), we, the three countries unjustly blamed for the traffic drugs—Bolivia, Colombia, and Peru—must coordinate joint actions more efficiently with the consumer nations in order to fight this evil." (Most dailies 23 Oct 94)

Surprise Candidate Alejandro Toledo

The candidate Alejandro Toledo has said that his economic plans for government do not include the transformation of the state into a job-generating body. "Definitely, the state should not be the principal generator of jobs. Many candidates will promise thousands of jobs, but what Possible Nation is proposing is to create productive employment with the aid of domestic and foreign private investment," he said. He maintained that the main guidelines orienting Possible Nation are designed to avoid retracing the path covered thus far in the administration of short-term economic policy. On the issue of the pacification process, he said that it will be based on force. "We must eliminate the violence of poverty...and unemployment," Toledo emphasized, while stating that if he becomes president of Peru, he will take on the task of a combatant against this situation, as well as decentralization. (EL COMERCIO 23 Oct 94)

In another connection, Toledo said that if he is elected to government office, he will sponsor an agreement with the neighboring countries to reduce military expenditures by 25 or 30 percent. He said that such an agreement will create a "financial cushion" that will make possible a more successful campaign against terrorism and drug trafficking, and most important, extreme poverty. He noted that in order to achieve this, the viewpoints of the Peruvian military institutions will be heard first. He explained that the budget reductions will not in any way result in neglect of the internal security of the country. Toledo emphasized the fact that such an agreement would be in effect for about 20 years, and that in any case, it would have to be a joint agreement. In other words, it would not be based on a lateral expansion. He voiced his opposition to the politicization of the Armed Forces and their active participation in politics. However, he agreed that there is a need to promote their closer rapprochement with civil society. (LA REPUBLICA 24 Oct 94)

Elena Maria Delgado, the CODE-Peru Possible Nation candidate for the second vice presidency, said for her part that presidential candidate Alejandro Toledo is impressed by the response of the voters in recent weeks. For this reason, he is currently engaged in a process of introspection, "looking inward" in order to revise strategies and double efforts. "We are going to hold a press conference to reassert our conviction that we are serving the country, especially the poorest sectors," she said. She explained that the reason for the sympathy Toledo has aroused in the people is that his message is authentic, and is due to "that chemistry only a man of the people who knows how to reconcile the basic needs of the population can communicate." "There is a long path ahead. We are aware of the need to make an effort to respond to the support from the citizens. For example, we now know that we must have larger institutional establishments in the neighborhood sectors distant from the capital. In addition, we must delegate responsibilities," she said. (LA REPUBLICA 25 Oct 94)

Higuchi Alleges Electoral Fraud

On 19 October, Mrs. Susana Higuchi, the presidential candidate of the Harmony Century XXI Movement, announced that she will appeal the National Election Board decision excluding her from the electoral process. "I will petition the electoral body to reconsider the registration of my political group by the legal deadline," she added. The appeal will be based on the nullification of 133,227 of the 147,840 signatures submitted by Harmony Century XXI. She described the JNE decision as an instance of "electoral fraud." She maintained that the purging of the list of signatures was carried out with "childish frivolity."

Concerning the withdrawal of Eduardo Minguillo, the candidate for the first vice presidency on her slate, she acknowledged that the reason for this decision was political pressure. On being asked what the source of this pressure was, she would only say that "I am wondering about that myself." And in statements made to a Spanish chain, Susana Higuchi stated that she decided to leave her husband because "I saw corruption occurring in the presidential palace." Higuchi said that Fujimori "fears me, and for this reason he makes my life impossible. I am still married, but I am pursuing a struggle along a different path. My struggle is based on principles, not on marital differences." (Most dailies 20 Oct 94)

Later, Mrs. Susana Higuchi said that she will not appeal to the OAS if the National Election Board disqualifies her for participation in the general elections on 9 April as a congressional candidate. "It is not a case of filing indiscriminate protests, but of showing the 22 million citizens that neither real democracy nor true respect for the constitutional rights of the citizens exist in Peru," she explained.

On the other hand, Susana Higuchi said of her husband that "power has changed him, and it has transformed him into a monster." In an interview published in BLANCO Y NEGRO, the Sunday review of the Spanish daily ABC, Susana Higuchi said about her candidacy "I have received a great deal of popular support." "I am fighting against corruption," she said, "because corruption is a part of the regime at the present time. And I want to participate in politics because, after what I have seen, I want to help to save my country." "The time has come to say no to the lies, no to the lack of principles and values, and no to resentment," she said. "I would be happy to see anyone win except a member of this corrupt leadership that wants to embed itself permanently," she said. She related that her differences with the president date from the time when "I began not to believe him, and

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this had never happened between us." She added that "my husband is a sick man. Sick in his soul." "What we have now," she said, "is autocracy, dictatorship. Everything is controlled, even the National Election Board." "My husband has a slogan—divide and govern. I am one of those who wants to bring people and wills together. I could not tolerate the corruption, nor live surrounded by it. I want the peace of truth, not the peace of fear," she said. (Most dailies 25 Oct 94) [passage omitted]

Transparency—An 'Ethical-Civic Pact'

Transparency, a group whose goal is to ensure the honesty of the electoral process now under way, has proposed that the political parties and groups participating in these contests sign an ethical-civic pact setting forth their obligations at the present time, during, and after the elections. Father Felipe MacGregor, a member of the board of directors of this independent group, explained that there are three aspects to this agreement. The first, he said, pertains to mutual respect, which will prevent the use of "forbidden weapons" such as insults and direct aggression against the contenders. The second point involves chivalrous acknowledgment of the winner, in order to eliminate resentments and to achieve the national unity being sought for the country. Thirdly, the defeated parties should collaborate with the president-elect of the Republic to ensure that Peru moves forward and achieves the goals established. To this end, they should offer him the resources they can provide. (Most dailies 19 Oct 94)

Aprista Party

On 19 October, Mercedes Cabanillas, the presidential candidate of the Aprista Party, said in setting forth the main guidelines of her government plan that this political group is offering the country an economy for everyone in which the market will benefit the people instead of impoverishing them. "We are proposing to the country the building of a democracy with no one excluded, one that will improve their wages and wage a fierce battle against poverty," Cabanillas said. The APRA [American Popular Revolutionary Alliance] is the first political organization to reveal its government plan, the basic goal of which is to create a decentralized modern state that will promote agriculture, industry, exports, and small business. Cabanillas also noted that the supporters of the APRA want to establish a government of consensus in which inflation and subversion will be uprooted once and for all. (EL COMERCIO, LA REPUBLICA 20 Oct 94)

Unaffiliated IU Militants

The militants in the United Left (IU) without party affiliation and independent leaders in the country have agreed to join together in a single political force called the Nonpartisan Socialist Movement of the United Left, which will elect its national leaders this coming November. Also, these militants have acknowledged Dr. Alfonso Barrantes as their principal leader. (LA REPUBLICA 20 Oct 94)

Popular Christian Party

Developing employment through private investment, implementing social programs to support the people, and reestablishing authority in the country are the guidelines outlined by Lourdes Flores Nano as she launched her "Ten for Lourdes" campaign. This system will make it possible to organize a network of supporters of her candidacy in the various sectors of the capital and the country. She explained that the ideal would be for the people to have work, but without assumption of that responsibility by the state. "We do not want a state that is the main employer," she maintained. And she added that it is fundamental to ensure that it is private investment that promotes the creation of new jobs in the coming five years. (LA REPUBLICA, GESTION 25 Oct 94)

Inclusion of San Roman

Manuel D'Ornellas believes that "by including Maximo San Roman, Belmont has placed himself at the radical extreme of his spectrum, abandoning the moderate position with regard to the government that was his for many months. Javier Perez de Cuellar, for his part, has, by excluding Mayor Daniel Estrada from his slate, eliminated any possibility that he might be regarded as a secret or unwitting 'fellow traveler.' The inclusion of Graciela Fernandez Baca and Guido Pennano strengthened the 'Fujimorism without Fujimori' image. Neither of the two principal aspirants to the presidency challenge the basic characteristics of the economic program in effect. In fact, Belmont has not criticized that program, either. But the presence of San Roman on his slate will certainly force him to radicalize his position with regard to the government on all fronts, including the economic one." (EXPRESO 20 Oct 94)

A Long-Range View

Mirko Lauer says that "Perez de Cuellar is a candidate made to measure for the abandonment of autocracy. It is more than certain that if Peru wastes this opportunity, the next transition to an effective democracy on all levels will be traumatic to the point of erasing with a good portion of the gains achieved. Foreign investors appreciate rules of the game that help them to do business in the country. But they assign much greater value to the opportunity to participate in an institutional system that gives their actions social and political legitimacy, and to this extent, they take a long-term view. The favor of an autocrat in a state of constant danger is not their usual idea of stability. Fujimori II would most certainly lead to an involvement of the economy with politics such as we have never had here before. A Fujimori without a parliamentary majority would mean the constant threat of a coup d'etat, a continuing temptation to implement demagogic policies in order to counteract a process of erosion that by then would be entering into its sixth year."

No Mere Coincidence

LA REPUBLICA (22 Oct 94) expressed the view that "the existence of a JNE [National Election Board] made

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up of prestigious and independent judges does not suffice as a guarantee that fraud can be avoided. This phenomenon, moreover, no longer occurs in the coarse and vulgar form of the theft of ballot boxes, but is carried out by more subtle methods. Some of these methods have begun to make their appearance in recent weeks, and if they are not corrected in time, they could poison the process. Among these methods of preparing for fraud, mention would have to be made of the fact that of the 47 provincial electoral boards established in the country, 36 are headed by provisional auditors. As of 5 April, the government intervened in the responsibilities of the Office of the Attorney General, dismissing more than 170 auditors and directly appointing their replacements. The fact that these auditors are presiding over the provincial boards during a process in which the leader of the government administration that appointed them is participating as a candidate entails a risk that should be avoided. A second element is the fact that a state of emergency has been declared and is in effect in 60 percent of the national territory, which is therefore under the control of the military forces and under the command of a political-military official. A circumstance about which little has been said must be added to the above. It is the unusual movement of government officials seen in recent days, with the replacement of prefects and subprefects by retired members of the Armed Forces. Some people see this as no mere coincidence, but rather the establishment of the axis for a future coordinated effort to the benefit of the government candidate. Finally, the initiative of the head of the SIN, General Salazar Monroe, must be reexamined. He is advocating the establishment of intelligence units within all of the public departments as of January of next year. This plan, which is based on a decree law kept secret since the period just after the 5 April coup d'etat and only recently made public, has been generally rejected by the opposition and the independent press."

The Toledo Phenomenon

Mirko Lauer says that "the success of Alejandro Toledo in the media, and his alleged good fortune on the electoral scene suggest that the public wants more action than is being offered them by the principal candidates. Even if it is uncertain that Toledo can provide it. The Toledo phenomenon also confirms how attractive new faces are to an electorate that, once freed of party loyalties in 1990, no longer seems very concerned about ideological variety. It is too early to make a judgment about Toledo's fate. However, the voracity with which the media have dealt with his candidacy is indicative. Even if Toledo does not catch fire tomorrow, the place allotted for a surprise candidate in the public imagination seems assured. If we accept as a hypothesis the leap from two to nine percent in the Lima voters' preference for Toledo, as reported by the Market and Press enterprise, we must assume that these votes come from the same sources as those for Alberto Fujimori and Perez de Cuellar. Toledo would then have become a further indication that a growing portion of the electorate wants to retain the current rules of the game, but without the abrasive presence of Fujimori in Government Palace. Toledo's problem will be to maintain his image as a surprise candidate, which could prove difficult, given the prospect of almost half a year of campaigning." (LA REPUBLICA 25 Oct 94) [passage omitted]

Controversial SIN Plan

During a session of the Budget Commission of the Congress, Army General Julio Salazar Monroe, head of the National Intelligence Service, stated that as of next year, a national defense office under the jurisdiction of the National Intelligence Service will be established in each of the ministries, local and regional government headquarters, and multisectorial bodies. Without providing further details, General Salazar maintained that this measure is designed to comply with the laws in effect, with probable reference to paragraph d) of Article 6 of Decree Law 25635 dated July 1992. He also said that the future installations will be "indispensable" in providing support for national security, as well as counteracting the counterintelligence activities of the criminal terrorists and drug traffickers. (Most dailies 18 Oct 94)

Commenting on this measure, EL COMERCIO (20 Oct 94) said that "this executive branch initiative can be describes as extremely worrisome. What is certainly involved is a statement made to some extent "in passing" in the course of developing the plan in question, and as a result not even the scope of the project is known in detail. However, in any case, this is something that should be approached with the greatest caution and should alert the citizenry before the project is allowed to go forward. [passage omitted]

In turn, LA REPUBLICA (20 Oct 94) expressed the following view: "The statements made to the Budget Commission of the Congress by the head of the SIN, General Julio Salazar Monroe, have attracted major attention. Why implement such a plan now, when a decline in terrorism is evident and when there is even triumphalist talk on the government level to the effect that terrorism has now been defeated? [passage omitted]

GESTION (20 Oct 94) expressed the following view: "The first reaction of the citizenry on hearing the news has been to regard the measure as a provocation, in view of the "spy" image of the SIN and its controversial actions within the context of the principles of human rights. [passage omitted]

President of the Council of Ministers and Minister of Foreign Affairs Efrain Goldenberg has said that following the success achieved in the pacification of the country, the government has been studying the possibility of making changes in the current law on the National Defense System, which includes the National Intelligence System. He did not exclude the possible deactivation of some of these offices. He explained that this does not mean that offices subordinate to the

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Intelligence Service will be established in the ministries of the central government. This concern arose because of the statements made by the head of the SIN, Army General Julio Salazar Monroe.

Goldenberg warned that in a timely fashion, these executive branch proposals will be submitted to the legislative branch for consideration. "When I speak of amending the legislation, this is a task that will undeniably fall to the Congress. The pertinent studies will be made, and it will be the parliament, which is an autonomous and independent body, that will make any decision of this sort," he said. (Most dailies 22 Oct 94) [passage omitted]

Manuel D'Ornellas expressed the view that "it is usual for the opposition parties to allege that electoral manipulation exists or to denounce mechanisms that lend themselves to fraud as the presidential elections approach. What catches our attention is the fact that it is the government itself that is adding fuel to this fire. This is being done by reviving, through General Salazar Monroe as the spokesman, a draft law that would create SIN units in all state bodies as of January. Apparently, what is involved is a decree approved prior to the capture of Abimael Guzman in 1992, at a time when Sendero Luminoso [Shining Path] terrorism was on the rise. Perhaps there was a reason for such a measure in that era, but putting it into effect now, when the country is very close to being entirely pacified, is absurd. The only thing that can be achieved thereby—and this is happening—is to provide the less moderate opposition forces with an additional weapon with which to accuse the government of manipulating a vast sector of the citizenry—the state bureaucracy—by means of intimidation and espionage." (EXPRESO 23 Oct 94) [passage omitted]

The Repentance Law

With the expiration of the Repentance Law one week away, one of the commanders of the Sendero Luminoso identified as "Gustavo," who has sought relief under that law, has asked the government for an extension. The "repentant" member of the subversive movement revealed that there is "an intensive countercampaign" under the direction of the gang leaders who are still in command of the reduced forces of the Sendero Luminoso. The campaign is designed to discredit the police and the court system in order to inspire mistrust in those who are thinking of repenting. "They are creating fear, as they have always done, saying that the Repentance Law is a government deception, and that once a Senderist has repented, they use him and then put him back in prison or kill him," he said. (LA REPUBLICA 24 Oct 94)

4,628 Self-Defense Committees

According to the figures of the Armed Forces Joint Command, 4,628 self-defense committees made up of 232,668 rural patrol members have been established since 1992. The self-defense committees are made up of citizens in communities who have been organized under the terms of Legislative Decree 741 promulgated on 8 November 1991. In the departments of Tumbes, Piura, La Libertad, Lambayeque, Ancash, and a part of Cajamarca, 955 self-defense committees are currently operating with a total of 61,008 members. In Huancayo, Cerro de Pasco, and one sector in Huanuco, there are 700 self-defense committees with more than 40,917 rural patrol members. Also, in the departments of Ayacucho and Huancavelica, there are 745 committees with 70,700 citizen members. In the departments of Lima and Ica, 38 self-defense committees have been organized with 3,050 rural patrol members, while in Cusco and Apurimac, 189 committees are functioning with about 10,850 members. Moreover, in Jaen (Cajamarca) and Amazonas, there are 189 committees made up of 10,743 individuals. In Huanuco and San Martin, in turn, there are 539 committees with 14,250 rural patrol members, while in Ucayali, Puerto Inca (Huanuco), and Junin, there are 190 committees with 8,800 citizen members. And finally, 83 committees including more than 5,350 rural patrol members have been established in the department of Puno. This brings the total number of self-defense organizations throughout the country to 4,628. (EL PERUANO 21 Oct 94) [passage omitted]

Community Kitchen Workers March

On 20 October, more than 4,000 women from the community kitchens in Lima and Callao marched through the streets of Lima in support of their demand for a budget in order to be able to continue serving the extremely poor families, the elderly, and those suffering from tuberculosis who have been provided with meals for several years by these self-administered centers. In Lima, more than 500,000 persons are being served by 2,500 kitchens, most of them located in the heavily populated districts. Each kitchen prepares a daily average of 250 meals, including the unemployed on social welfare, those with tuberculosis, and the elderly. This information was provided by Rosa Espinal, the president of the Federation of Self-Administered Community Kitchens in Lima and Callao. Espinal demanded that the executive and legislative branches put Law 25307, approved in February of 1991, into effect. It endorses three basic concepts—direct state support, the establishment of a support program for the meal-supply project, and participation of the base level social organizations in the joint administration of these state programs. (LA REPUBLICA 21 Oct 94) [passage omitted]

Uruguay

Lacalle Views Elections, Economic Issues

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[Report on interview with President Luis Alberto Lacalle by special CLARIN correspondent Araceli Viceconte at Government House in Montevideo on 30 October]

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[FBIS Translated Text] For "Cuqui"—the sobriquet of Uruguayan President Luis Alberto Lacalle—his administration was "the one that dared, that had the intellectual and political courage to set forth all issues. I would venture to say that the next administration's agenda has already been raised," he told CLARIN in his office at Government House in Montevideo.

With the 27 November general elections a month away and the expiration of his presidency only three months off—the new president will be inaugurated on 1 March—Lacalle has become the target of much criticism on the part of those who reproach him for not having undertaken a major state reform to put the financial house in order as well as those who accuse him of having widened social differences with his fiscal adjustment.

Despite the fact that he was suffering from a terrible toothache and was visibly tired because of a hectic agenda, President Lacalle speaks with self-assurance and in a loud tone of voice; he likes to cite Jorge Luis Borges and to use expressions in perfect French. The Uruguayan president, 52, acknowledges that he is not fully satisfied with his administration and accuses his country of having "a very important conservative slant."

He refers to the opposition of large sectors of Uruguayan society and the political spectrum, to a neoliberal economic adjustment and privatizations, and to his inability to reform the irremovability of civil servants and the costly social security system.

He explains what he considers Uruguayans' conservatism by saying that "I attribute it to the fact that it has been a very happy country," adding that "it is more difficult to try to effect changes in a country that has been very happy and that is relatively satisfied with its situation. Sometimes, a major fall like the one that occurred in Argentina at the end of Raul Alfonsin's administration makes it possible to implement reforms on the rebound."

He says that he failed perhaps to convey the need to effect changes and explains the legal constraint his administration faced in implementing these changes, since it did not have a majority in Congress. "We have been steering the country on the basis of an executive branch that really wished to institute changes, but was completely stymied by the lack of a majority in Congress," he asserted.

Regarding what pertains to the executive branch, "we did what we had to do." He makes it clear that "we made great strides in the rescheduling of the external debt, in curbing inflation from 129 to 42 percent per annum, and in increasing domestic demand."

[Viceconte] A forecast for the elections?

[Lacalle] I have not yet graduated as prophet. [end Lacalle]

Moreover, I cannot discuss party issues because the Constitution bans me from doing so, he explains. He declines to make any comments on the elections and disregards the opposition's criticism of his presence at countless ceremonies to dedicate public works throughout the country.

Photographs of Lacalle holding a pair of scissors, cutting ribbons at dedication ceremonies, surrounded by an applauding audience, regularly appear in the Uruguayan press along with criticisms from the opposition, especially from Julio Maria Sanguinetti, a former Uruguayan president and current presidential candidate.

Somewhat irritated, the Uruguayan president quotes figures to refute charges that the number of public employees and unemployed people grew during his administration. Official reports indicate that in Uruguay, where almost 20 percent of the economically active population works for the state, the number of public servants declined by 6 percent during Lacalle's administration.

According to Lacalle "unemployment now stands at around 10 percent, not because unemployment has grown, but because there are more people who want to work, especially women and young people who are seeking jobs for the first time."

Lacalle wished the best to the incoming administration, with which he is willing to cooperate by helping to "shape opinion." "I want it to be so much better than my administration because I have three children," he said. It is well known, however, that if the incoming president wants to implement reforms, he will have to overcome the same opposition Lacalle met. "Political parties will have to display maturity and patriotism above and beyond their internal differences," Lacalle explained. He called the plebiscite that will be held in November to allocate 27 percent of the budget to education, an "institutional absurdity."

[Viceconte] What is Lacalle's main wish at the end of his term in office?

[Lacalle] I would like to conclude my administration respected by all and loved by many. [end Lacalle]

Speaking about Uruguay's relations with Argentina, which he compared to a "partnership," President Lacalle said: "In a neighborhood there are always kids who break somebody's window, or kick their ball into somebody else's yard."

According to Lacalle, his administration can boast of major achievements as far as bilateral relations go. "Argentine President Carlos Saul Menem played a key role," Lacalle said, because "in this matter he always looked at the big picture."

Lacalle feels that regional relations are "at their height," meaning Mercosur [Common Market of the South]. "The minor partners benefit the most. It is a very

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important qualitative and quantitative change for the workshop around the corner to become a partner of General Motors. Joining a market of 200 million people offers Uruguay a great opportunity," Lacalle said, downplaying locally-felt concerns.

[Viceconte] Yet Uruguay maintained an independent position during the negotiations and Uruguayan industrialists asked for extensions for the implementation of certain decisions.

[Lacalle] We all want a smooth landing. There are certain situations that require adjustments, a time to get ready for things to come.

[Viceconte] Wouldn't a huge market like Brazil is proposing, involving all of Latin America, seriously harm Uruguay?

[Lacalle] I believe that we should not get carried away by "historical anxiety." Since we have reached an agreement on the Mercosur, let us finalize it first. There is no point in starting to think about dinner halfway through lunch. The current goal is Mercosur, and it is no small goal at that. Given the fact that in Argentina and Brazil the necessary adjustments will ruffle many feathers, why shouldn't they ruffle feathers in smaller countries? This generation should focus on getting Mercosur to work and not get distracted by other things.

[Viceconte] Small-time producers seem to be concerned, however, over the need to retool. Furthermore, Uruguay's economy will have to adjust to new circumstances; the so-called "reasonable inflation" of 42 percent per year will not suffice.

[Lacalle] No, but the approaching implementation of the Mercosur will start the people thinking. A scare is the best way to encourage people to think clearly. Previously we lived under a kind of glass dome, enjoing our protectionism, our relative internal peace. Everything was nice and orderly. Mercosur has shaken us up, but not everyone is afraid.

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